

On-Bill Tariff

Program Design
August 2021



On-Bill Tariff Program Design

What is the on-bill tariff?

The on-bill tariff allows members to finance energy efficiency upgrades for residential members. It does not require a member to take on personal debt. A member will receive an energy audit and recommendations of the most cost-effective upgrades to be paid for upfront by REC. REC intends to make sure that members do not pay more than they save annually. For many, this program will significantly lower their overall bill even during REC's investment recovery period.

Document Purpose

This document provides a summary of Rappahannock Electric Cooperative's (REC) stakeholder process pursuant to delivering on-bill investment program in accordance with state law VA SB 754. Program design elements referenced in this document are considered "drafts" and final program design is subject to authorization and approval by the REC Board of Directors. Accordingly, program design elements and implementation dates are subject to change and should not be considered or represented as the final program design.

Program Enrollment Process

1. Member contacts REC and signs up for free energy audit
2. REC energy auditor visits home. If home is structurally sound and no health or safety concerns are discovered, energy auditor proceeds with diagnostics testing.
3. Determination of where energy efficiency can be gained and what upgrades are the most cost effective
4. Provide most cost-effective upgrade offer to member. If member accepts offer, execute agreement.
5. Weatherization contractor schedules upgrade with member and installs upgrades at the agreed upon time
6. Member saves more than they pay on an annual basis
7. The property owner signs the Upgrade Agreement, which requires annual servicing of the HVAC unit, if installed. If property is a rental, the renter signs the Upgrade Agreement.
8. Notice of Efficiency Upgrade is prepared and provided to property owner so that voluntary disclosure requirements to successor owners/tenants as noted in the Upgrade Agreement are satisfied



REC responsibilities

- I. REC will add the fixed on-bill tariff charge to the electric bill no sooner than 45 days after the job has been closed out (passed QC inspection)
- II. If a new member starts service at a participating location, REC will notify the new member of the on-bill tariff charge attached to that location both verbally and with written materials. The new member must sign the disclosure notice as a condition of new service.
- III. REC will file a one-page “Notice of Efficiency Upgrade” document with the Clerk of the Court that summarizes work that done to the property.
- IV. At least once annually, REC will facilitate and analysis be done by an independent 3rd party to make sure that participants are saving more than they are paying on an annual basis and if not, investigate to determine the cause.

Timeline of Key Deliverables

1. August 26, 2021 - Zoom third stakeholder meeting
2. October 2021 - Board Approval Resolution
3. Ongoing - Engage stakeholder groups and ask them to share and co-present information to their communities
4. Engage state agencies, environmental groups, energy efficiency groups, advocacy groups to promote the program benefits
5. November-December 2021 - Invite contractors to participate in application process
6. Early 2022 - Select Contractors for Year 1
7. Early 2022 - Enroll Members
8. 2023 – Invite contractors to participate in application process to expand scope of program

Details for Prospective Program Contractors

Benefits to Contractors

To implement an on-bill tariff program, REC will directly engage weatherization and HVAC contractors in Virginia who are licensed and insured and have the proper credentials to do weatherization and HVAC work. The benefits of participating as a contractor include:

- Promotion and visibility to new customer base
- Vetting of healthy and safe households is initially conducted by REC
- Workforce and community development
- Automatic invoicing and terms of Net 15 days. Real time troubleshooting with designated REC Quality Control staff

In order to engage in the program, contractors will apply to REC and must agree to program specifications, including but not limited, to:

- Attend one time in-person program training performed by EETility
- Adhere to specified turn-around times for both scheduling and completion of all jobs
- Attend one time training on the required use of EETility’s program tracking software and mobile app
- Include annual HVAC maintenance agreement for three years to include a years’ worth of filters and 10 year manufacturer parts and 2 years labor warranty with bid price.
- If pricing increases originate from the manufacturer or supply chain, contractors shall provide evidence to EETility and update pricing sheet accordingly without additional mark up
- Upload Geo coded and time stamped photos of all work completed to include post upgrade blower door and pressure pan/duct blaster tests, amongst other requirements as a condition of payment.
- Contractors will be invited to apply to the program in the winter of 2021-2022.



Details for Residential REC Members

Benefits to Members

There are numerous benefits for members to participate in the on-bill tariff program including

- a. Lower Energy Bills
- b. More comfortable and healthier air quality of home
- c. Expert personalized energy efficiency audit complete with most cost effective upgrade package offer, paid for upfront by REC and financed over time on the members bill
- d. Professional installation of upgrades with 10 year warranty on HVAC parts and 2 years labor warranty
- e. Free investigation if annual savings are less than annual costs. Includes appropriate resolution based on findings
- f. PEARL certification and appraisal letter

Energy Efficiency program upgrades include

- a. Attic Insulation, duct and air sealing, heat pump improvements, HVAC replacement, water heater wraps, and LED lighting

Property Type Eligibility

This program is limited to residential properties. Commercial properties are not eligible to participate at this time. Property type requirements for a member to sign up in the program include:

- a. Residential Renters or homeowners of single family homes are both eligible
- b. REC member with electric service for least 9 consecutive months including one winter and one summer season
- c. REC member must have current balance with no past due or payment plans
- d. Home is all-electric.
- e. Home types include single family homes, mobile homes, single level or quadplex apartments /condominiums

Some reasons that a home may be ineligible include:

- b. New construction or currently under renovation
- c. Standing water, foundation damage, roof damage, obvious signs of excessive deferred maintenance
- d. Soft floor or missing floorboards, bare or untreated plywood



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