



United States Marine Corps

FACT SHEET

August 2010



Resident Energy Conservation Program

BACKGROUND

In 1998, the Office of the Secretary of Defense (OSD) set forth the policy for the payment of utilities in Public Private Venture (PPV) housing to encourage energy efficiency in privatized housing units. The Resident Energy Conservation Program (RECP) represents the Department of the Navy's next step in establishing an energy conservation program in PPV housing consistent with OSD policy. The program is in alignment with the Department of Defense and Department of the Navy's energy conservation initiatives to reduce dependence on foreign oil, other fossil fuels, and overuse of electricity.

In conjunction with its PPV partners, the Department of the Navy is implementing RECP initially as a pilot program in two of its privatized locations, Beaufort Parris Island and here in Hawaii. Forest City Military Communities is the PPV partner in Hawaii.

Historically, PPV residents consume more energy than their military counterparts living in the civilian community. These excess energy costs negatively impact PPV projects over the long-term by reducing available capital which would ultimately be reinvested back into the PPV community, allowing improvements to the property such as renovations and community amenities.

PROGRAM OVERVIEW

The RECP transfers responsibility for electricity consumption from the PPV partner to the PPV resident. The program is designed to set a reasonable range for normal electricity consumption in PPV housing units. The program requires residents to pay for electricity

consumption that is more than 20 percent above the average usage for that group of similar homes. Residents who conserve more than 20 percent below the average monthly usage will receive a credit or rebate. Residents within 20 percent of the average usage will neither pay nor receive a credit.

Average usage will be set on an ongoing perpetual basis to account for variations due to seasonality and uncommon weather.

PILOT PROGRAM PHASES

August to December 2010 - Initial Communications Phase:

Communicate program to residents through multiple forms including Department of Navy installation printed media, neighborhood newsletters, town hall meetings, and direct mail.

September to December 2010 - Mock Billing Phase:

All residents will have the opportunity to receive mock bills before actual billing occurs. During mock billing, residents will not be responsible for paying any bills nor will they receive rebates.

January 2011 - Live Billing Phase Begins (1 year):

During live billing, residents will be required to pay for consumption that is more than 20 percent above the average usage for that group of similar homes. Residents who conserve more than 20 percent below the average usage will have the opportunity to receive a credit or rebate.

January 2012 - Pilot Program Evaluation:

Review program and evaluate strategies for implementing the program across all PPV locations.

FOR MORE INFORMATION:

MARINE CORPS BASE HAWAII

MCB Hawaii Family Housing Office at 808-257-2676 or visit www.mcbh.usmc.mil
FCRM: Resident Services Office at 808-839-8700 or visit www.fcmarineshawaii.com

FREQUENTLY ASKED QUESTIONS**How does this program work?**

The PPV partnerships — MCB Hawaii and Forest City Residential Management (FCRM) will conduct a “mock billing” period from 1 September 2010 to 31 December 2010. During this period, you will receive a monthly mock bill that shows your electricity consumption for the past month, compared to the average electricity usage for all homes similar to yours. Your first bill will arrive around 15 October 2010 for the period of 1-30 September 2010. During this “mock billing” period you will not be responsible for any overages on your mock bill or qualify for any rebates. You should make sure you understand how much electricity your family is consuming, and adjust your energy usage if necessary. Live billing will begin with the month of January 2011 and you will receive actual invoices. You will be responsible to pay for usage above a “normal usage band” and will begin accruing credit for refunds if you use less than the normal usage band. The utility billing company will issue you a rebate check when your accrued credit exceeds \$15. You may choose to defer the rebate and apply any credited amount towards future payments.

Why did the Marine Corps and PPV Partners decide to start RECP after all these years?

PPV residents use significantly more electricity per day than residents in the community living in comparable homes. In September 1998, OSD set for policy for the payment of utilities in PPV housing to encourage a reduction in energy consumption. In support of the Secretary of the Navy’s energy initiatives, the RECP represents the Marine Corps’ next step toward the full implementation of the OSD policy for PPV housing. Implementing RECP now rather than earlier enabled us to complete the initial development phase of most of our housing projects, installation of individual home electric meters, and to learn from the Army’s experience on their version of this program.

How do Marines and their families benefit from the RECP?

First of all, careful conservation of resources through less energy consumption contributes to our nation’s security and readiness, and takes better care of our fragile ecosystem. Dollars saved through conservation will be put right back into the PPV project in the form of capital reinvestments such as new housing, renovations, community amenities, etc. Residents will earn rebates if they conserve more electricity than amounts identified in a normal usage band.

How is the average utility usage determined for my home?

FCRM established “like-type” groups of homes within each neighborhood based on each home’s size and number of bedrooms. Each month, FCRM will calculate the average amount of electricity used by homes in your group that were occupied for the entire month. The top and bottom 5% of utility consumers within your “like-type” are removed for purposes of calculating the average. The average electricity usage is then calculated for your group. This like-type group utility usage average will be your target. A 20%

plus and minus buffer is established around this average to allow for variances in the homes and in family size and demographics. The result is a “normal usage band”, where most resident consumption should occur.

What if there is an extremely hot summer?

Your electricity bill is based on the process of determining the average usage for neighbors in your like-type group. If your group uses more electricity because it is hot, the group’s average usage for the month will be higher, and the 20% buffer zone will be higher as well.

How will this program affect my Basic Allowance for Housing (BAH)?

There will be no impact to the BAH allowance.

Will I need to sign a new tenant lease?

Yes, a new six-month lease is required in order to properly transfer utility payment responsibilities from FCRM to you. Information is forthcoming about lease signings to occur starting in November with a lease effective date of 1 January 2011. Leases will automatically convert to a month-to-month lease after the initial six-month period.

Isn’t a utility allowance already part of my BAH?

Yes. An allowance for “normal” utilities is a part of the BAH. RECP is intended to encourage residents to achieve normal usage and to reward them for conservation beyond normal expectations. If your utility use is within the 20 percent buffer, you will have no out-of-pocket utility expense.

How does billing work?

First there will be a “mock billing” period to educate you about your consumption compared to the allowance for your home. After that period ends, you will receive an actual invoice. Depending on your consumption for the month, this invoice will show that you have a credit, have to pay the balance due, or have no charge, and will indicate when you will be issued a rebate check or when you need to submit payment of the balance.

How and when will I expect a rebate?

Residents whose monthly utilities cost is more than 20 percent below the monthly usage band will earn a credit or rebate that will be payable by check when the amount owed exceeds \$15. Residents can elect to roll-over savings credits to apply against charges they may accrue in future months.

Does this program mean I have to pay an electric bill every month?

During the mock billing period, you will receive a mock bill that shows you how much electricity you used during the past month, and how much you would owe or be owed. During the live billing period starting on January 1, 2011, you will receive an actual bill. You will only pay for electricity if you have EXCESS usage, in other words, you used more electricity than the normal usage band, as explained in a previous FAQ.

How do I know that my bill is correct?

Your bill will show the actual usage for the period based on information received from your individual home utility meter. If you feel there are inaccuracies on your bill, please contact your Resident Services Office for review.

Can I get information about the “like-type” group I’m in?

Yes, your FCRM Resident Services Office can provide you with that information.

We have two teenagers in our family and we live in a three-bedroom home. Many of our neighbors don’t have any children. Won’t the monthly usage average for our like-type group be skewed?

The 20 percent buffer is intended to address variances in family size.

My neighbor’s bill is lower than mine because they have Energy Saver appliances and I don’t. Can I have new appliances to lower my bill and receive a rebate?

No. We try to account for these differences by setting the 20 percent plus or minus buffer around the utility average.

What happens if I don’t pay on time? Will late payments affect my credit?

Residents with a past due account will receive up to three late notice letters from the billing company on 15-day intervals. Since utility bills will be a component of rent, the failure to pay utility bills will be treated as delinquent rent as per your lease. Please refer to your lease on how delinquent rent is treated and for specific actions that will be taken by your property manager for payment delinquencies. If you don’t pay your bill, one consequence may be that your lease may not be extended. Finally, late payments could affect your credit.

Am I responsible for water and gas bills?

At this time, the energy conservation efforts focus on electricity. Although water and gas are not included at present, we encourage all personnel to conserve all types of utility usage.

If this is a Department of Navy program, do I have to participate if I’m in another branch of Service?

All residents of FCRM, regardless of branch of Service, must sign a lease that requires the resident pay for electricity usage.

How can I reduce my monthly electricity usage?

You should check your home for inefficiencies such as windows or blinds that do not close properly and let air

escape. Talk to your family members about how they can help to save energy by doing little things like unplugging unused electronics and chargers. Additional TVs or sound systems add to your usage. Additional conservation tips follow:

Air Conditioner

- Keep filter clean. Changing filters at least monthly will help your air conditioner run most efficiently
- Make sure air intake registers are unobstructed
- Set thermostat no lower than you are actually comfortable
- On cooler, breezy days open windows and let the breeze cool your home
- Never run air conditioner with windows and doors open
- If your home has a programmable thermostat set it higher (78-80 degrees) for times you will not be home, lower upon return. Use manually adjusted thermostats the same way

Appliances

- Smaller appliances should be unplugged when not in use: rice cookers, slow cookers, toasters and blenders, coffee makers, irons, etc.
- Blow dryers, electric shavers, other bathroom appliances should be unplugged when not in use
- Wash and dry only full loads of laundry. Using coldest settings optimizes conservation
- Use dishwasher for full loads only. Use air dry feature instead of heat dry feature
- Minimize the time your refrigerator door remains open

Electronics

- Use power strips for electronics. Turn off power strip when not in use
- Turn off TV's, stereo systems, gaming systems, computers and other electronics at the power strip when not in use
- Unplug cell phone chargers when not in use

Water Heater

- Solar water heaters have timers. Make sure your timers are set to efficiently utilize the sun for heating water

Lighting

- Adjust your family’s lighting needs. Turn off all unused lights
- Take advantage of daylight by opening blinds in North and East facing windows during the day
- Replace incandescent bulbs with CFL bulbs. Available at Forest City Self Help location, Bldg 1505. If you use personal lighting such as floor lamps, those bulbs can be purchased from any store including the mini-marts