RECP METHODOLOGY

“...When we reduce our energy consumption, we save money...”
- Vice Adm. William French, Commander, Navy Installations Command, May 2012

1) INDIVIDUAL HOMES ARE METERED AND GROUPED INTO "LIKE-TYPE GROUPS" (LTGs) OF SIMILAR:
   - Age/Construction Year
   - Size (square footage +/- 10%)
   - Bedroom Count
   - Construction (single, multifamily home, etc.)
   - Neighborhood
   - Energy source for Heating, Water Heater and Range

2) INDIVIDUAL UTILITY COMMODITY (ELECTRICITY/NATURAL GAS) USAGE IS MEASURED TO DETERMINE A MONTHLY AVERAGE FOR EACH LTG:
   - For LTGs with over 20 units, the top and bottom 5% of users are not included in the average.
   - Units vacant for any part of the month are not included in average.
   - Homes with an exemption from the program are not included in the LTG average.
   - A 10% buffer above and below the average is set to form the Normal Usage Band.

3) RESIDENTS WILL BE MAILED A MONTHLY STATEMENT THAT SHOWS HOW THEIR USAGE COMPARES TO THE AVERAGE.
   - Residents will receive a "Mock Bill" for several months prior to the live billing cycle. This will allow residents the opportunity to measure and adjust their energy consumption behavior.
   - The roll out schedule for mock billing and live billing is as follows:
     | Installation          | Mock Billing | First Mock Bill Mailing Date |
     |-----------------------|--------------|------------------------------|
   - “Live Billing” will begin on Apr. 1, 2013 for all CNRNW installations, with first bill mailed on May 15, 2013. At this point, residents will be responsible for payment or receive a credit (for below average usage).

4) FINANCIAL INCENTIVE TO ADJUST USAGE THAT IS OUTSIDE OF ABOVE THE NORMAL USAGE BAND
   - Above the 10% buffer, residents pay the difference between their usage and the upper buffer
   - Below the 10% buffer, residents receive a rebate for the difference between their usage and the lower buffer
   - Billing or rebate “trigger point” is set at $25
   - Resident can elect to apply rebates to future bills

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