

Resident Energy Conservation Program (RECP) Frequently Asked Questions

Visit Forest City's website to view the entire list of resident issues brought up during the Jun-Sep 2012 Town hall meetings:

https://forestcitymgmt.propertyolutions.com/media_library/2197/500a13707037a161.pdf

Why is the Navy changing the pilot RECP 20% buffer to 10% in October 2012?

A 20% buffer was initially used to minimize RECP financial impacts to residents during the pilot program. Using RECP pilot data it was determined that a 10% buffer should result in increased conservation without significantly increasing the financial burden on residents. In fact, it is easier to earn a rebate under the 10% program, and simple conservation measures such as monitoring thermostat settings and turning off electronics and lighting can result in frequent rebates. All four Services will utilize a 10% buffer in their respective RECPs.

What is the electric rate that is used to charge us for electricity?

Residents are charged the same rate that Forest City is charged by the Navy. For Oahu residents, the FY2012 rate through September 30, 2012 is 20.16 cents per kilowatt-hour. The rate for Kauai residents for FY2012 through September 30, 2012 is 42.56 cents/kWh. The Navy (NAVFAC) purchases its Oahu power from the Hawaiian Electric Company in bulk and pays a much lower rate for electricity than consumers living downtown. The rate is identified in your bill. **It's important to note that effective 1 October 2012, NAVFAC's Oahu rate will increase from 20.16 cents/kWh to 26.35 cents/kWh (almost 30% increases). The rate for Kauai residents will essentially remain the same as the current \$42.74 cents/kWh.** The significant increase is a direct result of higher fuel prices; petroleum-fired power plants supply more than three-fourths of the state's electricity.

The increased rate makes it even more critical to reduce electricity usage in order to reduce the size of the project's monthly electric bill. Just like in households "downtown", utility bills are "must pay" bills, and results in less money available to buy other important things. The rate of 26.3 cents/kWh charged to PPV residents is still lower than the 33.5 cent/kWh (Star Advertiser Sept 12, 2012) that residents living in non-PPV homes are charged.

How can I determine if my current month's usage will be over or under a 10% buffer?

Unfortunately, there is no website available to date that can calculate this for you. Here's a formula for you to use that translates your usage using **a 10% and the 30% increase in the Oahu utility rate.**

First, determine if your monthly usage (kWh) is above or below the Like-Type Group (LTG) monthly average.

If it is above the LTG average, multiply the LTG average by 1.10 to get the **upper buffer limit**. If your usage is below this upper limit, you will not owe any money. If your usage is above this amount, subtract the upper buffer limit from your usage. Then multiply the result by \$0.20162 to get the amount you would owe.

Example when your usage is above the LTG average:

Average kWh usage for your LTG = 1,000 kWh

Your monthly usage = 1,350 kWh

1,000 kWh X 1.10 = 1,100 kWh (upper buffer limit); so your usage is above this upper limit

1,350 – 1,100 = 250 kWh

250 kWh X **\$0.263.47** = \$65.87 is the amount you would owe

If your monthly usage is below the LTG average, multiply the LTG average by 0.90 to get the **lower buffer limit**. If your usage is above this lower limit, you will not receive a credit. If your usage is below this amount, subtract your usage from the lower buffer limit. Then multiply the result by \$0.20162 to get the credit you will receive.

Example when your usage is below the LTG average:

Average kWh usage for your LTG = 1,000 kWh

Your monthly usage = 650 kWh

1,000 kWh X 0.9 = 900 kWh (lower buffer limit)

900 – 650 = 250 kWh

250 kWh X **\$0.26347** = \$65.87 is the credit you will receive

I heard that in Hawaii, 14% of my Basic Allowance for Housing (BAH) goes to utilities. I calculated that my electric bill is actually only 13% of my BAH. Why don't I get 1% of my BAH back as a credit?

The utility estimate for each military housing area (MHA) comes from an annual American Community Survey conducted by the Bureau of the Census. DoD uses this data to determine average expenditures for utilities specific to each dwelling type in each MHA. The Defense Travel Management Office then used the utility data from this survey to determine that on average, 14% of the BAH for the MHA on Oahu goes to utility costs. **It's important to note that "utility costs" include water, sewer and gas as well as electricity.** This does not guarantee that 14% is representative of every member, but is the average for the location. A member's actual percentage may be above or below the average percentage listed.

I understand the reasons we need to conserve energy. We try very hard to use less electricity by turning off the lights when we aren't in the room, we have the windows open on cool days, and yet, we are only just below the 20% buffer. We will probably have to pay

when the buffer changes to 10% and the rate increases. How can we reduce our electricity usage?

You should contact your Forest City Resident Service Office and ask them about the Energy Smart Initiative. This program helps residents understand the easiest ways to be more energy-efficient. The three biggest draws on electricity are the air conditioner, the water heater, and the “plug load”, in other words the number of electrical items you have plugged in. You can also ask Forest City to conduct a behavior audit on your home.

I’m PCSing in two months. Will I have to pay for electricity at my next base?

Yes, if you are going to a CONUS Navy base. The rollout schedule for live billing at other Navy Regions is provided below:

New Orleans: January 2013

Northwest, Midwest, Southeast: April 2013

Southwest: July 2013

Mid-Atlantic and Northeast: October 2013

Who benefits from the cost savings from resident utility conservation?

Current and future residents of the Public-Private Venture project benefit from savings realized through utility conservation. The savings go into the operations, maintenance and long term reinvestments in the homes and neighborhood. After covering operations and maintenance, the remaining operating income monies are deposited into Reserve Accounts managed by the Department of Navy and Forest City Military Communities as Joint Venture owners of the project. These reserve funds are created for reinvestment into the project neighborhoods to ensure the homes are adequately maintained over the life of the project. In other words, sailors and their families are the primary beneficiaries from utility conservation because it’s their homes and neighborhoods that get maintained and improved over time. It’s very important to know that the savings do NOT go to Forest City’s pocket book. The savings remain in the PPV project.

How do Residents 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.

Will I need to sign a new tenant lease?

Residents will need to sign a RECP addendum to their lease acknowledging the change in buffer

size from 20% to 10%. Forest City has mailed the addendum to residents in mid-August, and residents need to send a signed copy back to Forest City. If you have not received an addendum, visit your Resident Service Office to sign a copy.

How does this program work?

The PPV partnership - Navy Region Hawaii (NAVREGHI) and Forest City Residential Management (FCRM) implemented this Department of Navy program. RECP establishes like type groups of housing and measures the average usage for each like type group every month. A 10% buffer is then added above and below the average to create a Normal Usage Band. Residents will receive monthly statements on how their usage compares to the Normal Usage Band. Those using more than the Normal Usage Band pay for the excess and those using less than the Normal Usage Band will receive a rebate or credit for the difference between the Normal Usage Band and their actual usage. You are responsible for paying a bill if the accrued amount you owe exceeds \$25. FCRM will issue you a rebate check when your accrued credit exceeds \$25. You may choose to defer the rebate and apply any credited amount towards future payments.

Why did the Navy decide to start RECP?

In September 1998, OSD issued a policy to transfer responsibility for the payment of utilities from PPV projects to residents. The Navy is implementing the RECP program now that most PPV housing is individually metered. Research shows that residents use 20+% less in utilities when they are directly responsible for utility payments. The RECP helps to bring PPV utility usage in line with usage in private communities, and results in savings that will be reinvested to improve PPV community quality of life.

How is the average utility usage determined for my home?

FCRM established "like-type" groups of homes based on neighborhood, and each home's size and number of bedrooms. Each month, FCRM will read the utility meter to determine actual consumption for each home and then 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 10% 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.

So I will only owe money if I use more electricity than this normal usage band, versus the average usage amount for my type of home, right?

Right! Each month, when a monthly average is calculated for your type of home, a buffer is added to the average to establish the upper buffer of the normal usage band. You will only pay for electricity used above and beyond this upper buffer.

What if there is an extremely hot summer/cold winter?

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 buffer zone will be higher as well. The same principle applies during cold weather.

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

There will be no impact to the BAH allowance.

How can I learn more about what BAH covers?

Go to <http://www.defensetravel.dod.mil/perdiem/BAH-Primer.pdf>

Why do I have to pay for electricity when it is included in my rent?

Your rent is equal to your Basic Allowance for Housing (BAH). The BAH is computed based on three local price data points: (1) median current market rent, (2) average utilities (including electricity, heat, and water/ sewer), and (3) average renter's insurance. In other words, your rent pays for typical utility usage. The Department of the Navy is implementing the Office of the Secretary of Defense policy to establish a reasonable range of average electricity consumption, which is defined as the average usage for your group of homes with a 10% buffer added above and below the average. You are required to pay only for the excess electricity used beyond what is covered in your rent, and will receive a credit whenever you save electricity beyond the 10% buffer. If your utility use is within the 10 percent buffer, you will have no out-of-pocket utility expense.

Are they going to lower our rent to offset the cost of the "electric bill"?

No, your rent amount will not change. Your rent (BAH) covers normal utility usage. The intent of the program is for residents to pay for any excess electricity usage.

How does billing work?

On or about the 15th of each month, you will receive an invoice from the utility billing company indicating your usage for the previous month. 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.

Why do we have to wait until the 15th of the month to get our electric bill?

It takes time for the utility billing company to gather the readings, calculate the average, print the bill, and mail it to you. You can also go log on to the YES! Energy Management website and check on your usage projection to see where you are within the buffer, before month end. Visit www.FCNavyHawaii.com/recp to find out how.

Is there a grace period for new residents?

There was a three-month grace period for previous residents. However, the grace period will go away for new residents who arrive on or after 1 October 2012. The reason is because residents should be used to paying for utility bills.

How and when will I expect a rebate?

Residents whose monthly utilities cost is more than 10 percent below the monthly usage band will earn a credit or rebate that will be payable by check when the amount owed exceeds \$25. Residents can elect to roll-over savings credits to apply against charges they may accrue in future months.

How do I know that my utility usage report is correct?

Your monthly utility usage report is based on the individual utility meters on your home. The PPV project company will collect information from the meters and develop a usage report for each home. If you feel there are inaccuracies on your bill, please contact your property manager for review.

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.

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 thermostats as high as your comfortably can
- 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. If you use hot water, wash clothes during the daytime to utilize the sun for water heating
- Use dishwasher for full loads only. Use air dry feature instead of heat dry feature. If you use hot water, wash dishes during the daytime to utilize the sun for water heating
- Minimize the time your refrigerator door remains open
- Refrigerators run more efficiently when they are filled

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

- Study and adjust your family's lighting needs. Turn off all unused lights
- Take advantage of daylight by opening blinds in N and E facing windows during the day
- Replace incandescent bulbs with CFL bulbs. Permanent light fixture CFL bulbs for your home can be obtained from Forest City Self Help locations on Nimitz Road and Pearl City. If you use personal lighting such as floor lamps, those bulbs can be purchased from any store including the mini-marts

Will you post the like-type groups so everyone can see who is in their group?

Yes. Like-type groups for your neighborhood are available for viewing at your Resident Services Office.

What was the basis for throwing out 5% of the high and low users, versus using a standard deviation? Five percent is not statistically significant.

The top and bottom 5% are thrown out precisely because they are not typical of the remainder of the population and in that sense are not statistically significant. The top 5% consist of very high users who either have very unusual electrical usage requirements or have been indifferent towards conservation. The bottom 5% are often made up of families who have not been home for all or a significant portion of the month. These are often spouses of deployed sailors who elected to stay with other family members while the service member is deployed. We think the fair way to establish the group averages is to exclude these statistical outliers. Residents in the top and bottom 5% aren't used to calculate the average, but they will still receive a bill just like other residents.

I have a higher rank than my neighbor so I pay more rent than he does for the very same house. Why should I have to pay for using more electricity like he does?

Department of Defense policy requires PPV partnerships to determine a reasonable utility allowance and must charge residents for excess usage. Normal usage is not based on rank but on the size of the home, type of home, etc. Two residents of different ranks living in similar homes are expected to use similar amounts of electricity. Just because one is more senior to the other does not give them a higher electric allowance.

We have more children living in our three-bedroom house than our neighbors who also live in a three bedroom house. How will this affect my overall bill compared to my neighbors? Am I exempt from paying more?

The size of a family is definitely proportional to the family's cost of living. However, other than bedroom assignment, family size is not a factor in determining RECP baselines, just as it isn't a factor for determining Basic Allowance for Housing (BAH). Members of the same rank receive the same housing and utility allowance regardless of whether they have no children or many children. To avoid excessive electric usage, large families must be more conscious of their usage habits. Here in Hawaii, service members with larger families do receive a higher Cost of Living Allowance (COLA) that may help address this.

I live in a historic house. What is Forest City going to do about making our homes more energy-efficient?

Forest City has a long-range operating budget that addresses initiatives to improve energy inefficiencies in all homes. There are a few limitations when working on historic homes due to historic preservation rules. If you think your usage is exceptionally high, Forest City will visit your home upon request and take a look at possible reasons in the home that might be contributing to the high consumption. They will also use this opportunity to discuss with the resident possible behavioral reasons for the high consumption. From a billing standpoint, please keep in mind that your monthly electric bill is based on a comparison of your home only to similar homes that have the same efficiencies and inefficiencies as yours.

I heard some Forest City homes have a programmable thermostat. Can I have one installed in my home?

Yes. Most Forest City homes are already provided with programmable thermostats. Residents can program them to turn their air-conditioners on only during certain hours or to set the temperature higher at night or when they are not at home. Forest City is converting all older programmable thermostats with newer models which limit the lowest possible setting to 72 degrees. This was a joint Navy Region Hawaii-Forest City decision unrelated to the RECP. The temperature-limiting thermostats support the Navy's energy conservation program and parallel the temperature restrictions on office and administrative facilities, although the minimum home temperatures are substantially lower than that in office environments.

Am I being charged for the electricity used by the streetlights in our courtyards?

No. There is a meter on your home that captures the electricity used solely by your home.

My home doesn't have any energy efficient appliances, so how can it be equitably compared with other homes in my like-type group? Will Forest City come and replace them with energy efficient ones?

Some like-groups do have a mixture of homes that either have or do not have energy rated appliances. The average electricity usage for each group will factor this in, plus there is a 10%

buffer zone to address these differences. Appliances are replaced when they are no longer serviceable or have reached the end of their useful life.

Will Forest City have a checklist when it visits my house or will I have to request a visit for a specific item?

Yes, Forest City will have a checklist that ensures a thorough review of your home.

Can I install a ceiling fan our bedroom? Am I qualified to do this?

Forest City cannot allow residents to install their own permanent fixtures in these homes.

Is Forest City going to come and clean my A/C unit? My A/C was clogged and no one told me how to clean it.

Forest City will continue their preventative maintenance and service call program. Please call them for any maintenance issues or for a preventative maintenance checkup.

Are there two air conditioner filters in my house to change monthly?

Many homes have two, but not all. Please contact your Resident Services Manager to get more information.

The tips on RECP bills encourage residents to use ceiling fans; however, some homes are not equipped with fans in every room. Will Forest City be installing ceiling fans everywhere for everyone?

Unfortunately, cost limitations prohibit the installation of ceiling fans in every room. Forest City will continue to consider installing more fans as it implements its neighborhood improvement plans.

Our home gets hot in the kitchen when we cook. Are there any plans to install ACs in the kitchen area?

There are no plans at this time to add additional air conditioners to any homes.

Why can't we have a clothesline in our back yard? It would really help us save energy.

Residents may request permission to install a clothesline using the standard modifications request form. The Community Manager will review the request and may authorize installation subject to certain limitation of type of clothesline, location of clotheslines, and other reasonable restrictions. Please keep in mind each neighborhood is different (size of backyards, visibility to others), etc.), and there are some limitations in historic neighborhoods.

The second story bedroom in my house above the garage is very hot. The room needs a solar fan or something to let out the hot air.

Please call the maintenance office so they can evaluate the problem.

I saw contractors trimming trees in our neighborhood. What will Forest City do about the fact that we have less shade and therefore a greater need to run our air conditioners more?

The trees are trimmed regularly to keep the neighborhood safe and to maintain the trees in a healthy state. Although reducing the amount of shade may affect the air-conditioning load of the homes, since the work is performed throughout the neighborhood, all homes will be similarly affected. Differences in levels of shading from one home to another are accounted for by the buffer zone.

I have been on Forest City's wait list to move into a different neighborhood. However, if I sign the new six-month lease and a house becomes available during the six-month period, will I be restricted from moving?

Forest City will include the time the resident has lived in its Navy PPV home, including any period under the previous lease, in determining whether a resident is eligible for the voluntary relocation program.

When will the new lease be available for me to review, and will an electronic version be provided so I can email it to my spouse who is deployed?

The new leases will be made available as soon as they have been approved by the Department of the Navy.

What kind of Power of Attorney will Forest City need for lease signing, and what happens if my spouse is already deployed and he didn't sign a POA before he left?

Either a General or Special Power of Attorney is acceptable; however, you should check with your legal office before choosing either. Your legal officer may advise you to limit the delegation of authority through a Special Power of Attorney. If your spouse is already deployed,

he or she should have access to legal services at the deployed location.

When I sign the new lease, I will be asked about receiving credits from Forest City and I will have to elect whether to receive a credit whenever it reaches \$25 or to carry-over the credits month-to-month. I understand I will only be able to change this election once a year. Why do I have to wait a whole year to change this election?

Based on resident feedback, residents will be allowed to change their election up to two times in any 12-month period. For example, a resident signs a lease today and elects to get credit amounts paid by check. Tomorrow, he changes his mind and tells Forest City that he wants to just carry over the credit balance forward on his account. This resident may make one more change over the next 364 days.

Is there a waiver policy if a member in my family has a medical circumstance that requires us to use more electricity?

Yes, a waiver from the RECP can be requested if your family member is enrolled in the Exceptional Family Member (EFM) program and you can provide justification on how the medical circumstance has a direct result on excessive usage of electricity. For information on the waiver process, click on the tab at the Main Menu entitled "Waiver Policy Based on Medical Reasons

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

All military members, regardless of branch of Service, living in Navy and Marine Corps PPV housing must sign a lease that requires the resident to participate in RECP. The Army and Air Force are transferring responsibility for payment of utilities to residents that live in their privatized housing much like the Navy and Marines Corps.