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From: Commander, Navy Installations Command

Subj: RESIDENT ENERGY CONSERVATION PROGRAM

Ref: (a) ASD memo, Service Member Utility Allowances and Resident Energy Conservation Programs in Privatized Housing, 16 December 2021
(b) ASN (EI&E) memo, Service Member Utility Allowances and Resident Energy Conservation Programs in Privatized Housing, 10 June 2022
(c) DON Public-Private Ventures Housing Handbook, 28 March 2024
(d) CNIC-M 11103.1

1. Purpose. This manual provides guidance for the establishment, management, and oversight of the Resident Energy Conservation Program (RECP) at Department of the Navy (DON) privatized housing projects, consistent with references (a) through (d).

2. Scope and Applicability. This manual applies to all Commander, Navy Installations Command (CNIC) Headquarters and Regions with privatized family housing. RECP processes and methodologies will be standardized, reasonable, transparent and align with guidance in references (a) through (d).

3. Policy. RECP verification, management and oversight guidelines in this manual will govern the program at all Navy privatized projects. RECP is not a required program to implement; however, any Military Housing Privatization Initiative (MHPI) Companies interested in implementing RECP can follow verification guidelines to request the program at their installation, including meter verification and submission of an installation verification package as outlined in this manual. RECP guidance in this manual is consistent with the Department of Defense (DoD) and Office of the Assistant Secretary of the Navy for Energy, Installations and Environment (OASN (EI&E)) policy, conservation principles, and MHPI legislation. Oversight of the RECP will be standardized across all installations, regions, and at CNIC to ensure program compliance with policy.

4. Responsibilities. Roles and responsibilities are discussed in detail within each chapter of this manual. Duties will be performed by CNIC Navy Housing headquarters (N93), Regional Program Directors (RPD) and Installation Program Directors (IPD).

a. CNIC will:

(1) Ensure RECP installation verification packages meet all requirements of this manual and reference (b) and, if sufficient, recommend the package for approval to the OASN (EI&E).

(2) Review annual MHPI Company utility allowance calculations and, once approved, provide them to OASN (EI&E) for review.

(3) Provide training support to RPDs as needed.

(4) Provide marketing materials to support RECP tenant marketing to RPDs, and MHPI companies.

b. RPDs per guidance in this manual will:

(1) Work with MHPI Companies as needed during meter verification and like-type group creation.

(2) Provide CNIC RECP marketing materials for installations, and MHPI companies.

(3) Develop training for installation IPDs on program timeline, marketing, oversight, data management, and reporting.

c. IPDs will per guidance in this manual:

(1) Provide program oversight and reporting.

(2) Manage and update monthly RECP data in enterprise Military Housing (eMH).

(3) Counsel tenants when needed on energy conservation.

(4) Communicate RECP timeline and program details to new and existing tenants.

5. Records Management

a. Records created as a result of this manual, regardless of format or media, must be maintained and dispositioned per the records disposition schedules located on the Department of the Navy Assistant for Administration, Directives and Records Management Division portal page at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>.

b. For questions concerning the management of records related to this manual or the records disposition schedules, please contact the local records manager or the OPNAV Records Management Program (DNS-16).

6. Review and Effective Date. Per OPNAVINST 5215.17A, CNIC (N9) will review this manual annually on the anniversary of its effective date to ensure applicability, currency, and consistency with Federal, Department of Defense, Secretary of the Navy, and Navy policy and statutory authority using OPNAV 5215/40, Review of Instruction. This instruction will be in effect for 10 years unless revised or cancelled in the interim and will be reissued by the 10-year

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anniversary date if it still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.

A handwritten signature in black ink, appearing to read 'C. S. Gray', with a large, stylized loop at the end.

C. S. GRAY

Releasability and distribution:

This manual is cleared for public release and is available electronically only via CNIC SharePoint, <https://flankspeed.sharepoint-mil.us/sites/CNICGlobalHub/directives/>

Commander, Navy Installations Command



Resident Energy Conservation MANUAL

Table of Issuances and Changes

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CHAPTER 1 PROGRAM CONCEPTS AND VERIFICATION GUIDELINES

1. Purpose. To provide guidance for the establishment and management of the Resident Energy Conservation Program (RECP).
2. Scope. The RECP is a part of a broader Department of Defense (DoD) effort to encourage energy conservation. Reference (a) provides policy guidance to the Military departments for the establishment of RECP, and reference (b) provides guidance for the establishment and management of RECP at Navy locations. The RECP will encourage tenants to manage their energy consumption, which will provide the benefits of potential rebates for tenants' energy conservation and provide additional project funding for investments in maintaining the highest-quality housing communities.
3. RECP Key Concepts. There are several concepts critical to the RECP:
 - a. Unit Inventory. Military Housing Privatization Initiative (MHPI) Companies will provide a by-address unit inventory including at least the following details: address, RECP utility type, builder entity, building type (unit build by government or partner), Like Type Group (LTG), meter owner, utility biller, and the utility payment party (see section 8).
 - b. Metering. A variety of metering and meter reading collection technologies exist across installation and may create slight variances for the program. The two common methods of meter reading collection include Automated Meter Reading (AMR) and manual reading of the physical meter face or dials. Manual metering is a simple analog meter installed at a location, which requires manual, visual readings in the field, most often occurring monthly. The advent of AMR refers to the addition of a radio device (transmitter) to the meter to allow either "drive-by" reading or fully remote reading across an installed network. The installation of these technologies varies from location to location and from utility authority to utility authority. These systems require varying maintenance levels to keep them reporting consistently and within specification. The MHPI Company and their third-party billing service provider administer AMR meter system maintenance. It is important to note that for some meters and their AMR system, the original meter installation may or may not have included synchronizing the visual reading with the transmitter reading, which is used to calculate usage. This is typically due to adding an AMR device to a previously installed meter (typically gas or water). Usage is always calculated by taking the difference between two readings using a consistent method, whether captured from the physical meter display or transmitted readings month over month.
 - c. Commodity Pricing and Rate Setting. Utility allowances are to be set using the same commodity rates the MHPI Company is charged for housing unit utility usage for any given unit. This may be a month-to-month rate pinned to utility pricing or a 12-month average for projects that calculate the allowance in advance and set rent as an amount that does not include the utility allowance. If the utility provider or the project charges the tenant fees or taxes, the utility

allowance should include similar offsetting amounts. This does not include fees a utility provider might charge a customer who is late paying a bill.

d. Billing

(1) Tenants whose housing units are in a RECP will receive utility consumption statements no less than monthly. Such statements will include the tenant's utility usage average, applicable utility charges, fees, explanations regarding any credits or payments due, and utility usage band (if applicable). Exceptions are permitted in the case of RECPs where the tenant pays a utility company directly since the MHPI Company has no control over what is included in the utility consumption statement the tenant receives from the utility company.

(2) Housing units with minor ancillary external uses associated with a single housing unit, which may benefit neighboring housing units, can be certified if the meter is appropriately connected to the utility infrastructure and measures only the usage for the housing unit the meter serves. Minor ancillary external uses must meet all the criteria in reference (b).

(3) In support of effective implementation, able projects will apply a "budget billing" model where charges or rebates to the tenant will only be issued when a monthly rolling total reaches a "trigger amount," typically \$50 or less. For example, if a tenant consumes \$11 more than the utility allowance, this amount accrues, and the tenant is not required to pay this bill. In the next billing cycle, the same tenant consumes \$12 less than the utility allowance, resulting in a cumulative total of a \$1 credit. The credit accrues, and the tenant does not receive a rebate check for \$1. In the next month, the same tenant uses \$60 more than the utility allowance, resulting in a cumulative \$59 charge. Since this is over the \$50 trigger amount, the tenant receives a bill reflecting the \$59 due. Finally, upon moving out, all accrued amounts are reconciled.

e. Mock Billing. Prior to the implementation of a RECP, tenants must receive 90-day advance notice and concurrently mock bills must be provided for a minimum of 90-days. Such mock bills will explain the calculations of the tenant's usage, utility allowance, utility usage buffer (if applicable), and whether the tenant would have incurred a charge or received a rebate under a RECP. This requirement for mock billing can be considered satisfied if an MHPI Company has been providing an installation's tenants with monthly consumption statements with the same billing methodology indicating the cost of the tenant's actual usage even while they were not accountable for that usage and if the MHPI Company provides written notification to the tenant indicating what the tenant's allowance would have been over the past year.

f. LTGs

(1) Each project will evaluate and create LTGs to support utility allowance calculations. LTGs will be reviewed by the Commander, Navy Installation Command (CNIC) Housing Public Private Venture Operations (N931A) prior to approval. Standard LTGs consist of groups of ten or more homes with similar characteristics.

(2) Family size is not a criterion used in establishing LTGs. Tenants' utility allowance is based on Basic Allowance for Housing (BAH) and does not increase based on family size. Tenants living in private sector rentals do not receive additional utility allowances for family size.

(3) Historical data on all metered units may be collected and used to help define LTGs. Historical data can be used to confirm that units consume electricity and gas at similar rates showing justification for the grouping.

g. Small Group or Unique Homes. Groups of fewer than ten units require additional deliberation to create equitable models for RECP application. Most installations have unique units, including executive homes or like-type units with fewer than ten units. Projects will collaborate with the Housing Service Center (HSC) and RPD to create appropriate small groupings to allow these units to participate in RECP, with these small groupings evaluated and approved by CNIC N931A. The same consideration of characteristics used to create a standard LTG should apply when creating small groups and, when necessary, include creating a group of one. Small groups may use a different consumption average methodology as outlined in section 5.

h. Renovations and Equipment Upgrades or Modifications. LTGs should be reevaluated when a unit or group of units are renovated, undergo equipment upgrades, or receive modifications that could impact the average consumption of electricity or gas. Minor changes such as the replacement of appliances will likely have little impact and would not justify changes in the LTG, while major equipment such as heating, ventilation, and air conditioning (HVAC) system upgrades could. If the affected units are a subset of a larger LTG, the project should consider creating a separate LTG and submit the proposed update to CNIC Navy Housing Public Private Venture (PPV) Operations (N931A) for review and approval.

4. Program Overview

a. Based on various factors, units at each installation are divided into LTGs and a utility allowance is established. This utility allowance is then applied to utility usage for the units in that given LTG. Such utility allowance will include a utility usage buffer of 10 percent above and below the utility usage average for an LTG.

b. Unit consumption in each LTG is then monitored and evaluated against the utility allowance. The tenant either falls within the utility allowance or receives a credit or a charge if they use less or more than the utility allowance respectively.

c. The MHPI Company will pay the monthly operating expenses for the RECP.

5. Creating LTGs. An LTG is defined as a group of housing units that have highly reliable similarities based on the energy efficiency of the housing unit and energy-using equipment. The

MHPI Company will develop initial LTGs and be prepared to provide associated reasoning behind the groups' compositions when requested by CNIC N931A.

a. LTGs established for the purposes of calculating utility allowances will consider, at a minimum, the following:

- (1) Structure type (single family, duplex, triplex, etc.).
- (2) Number of floors.
- (3) Number of stories above grade.
- (4) Year built.
- (5) Construction style and thermal characteristics of the unit.
- (6) Variations in the efficiency of heating and cooling systems.
- (7) Number of bedrooms.
- (8) Square footage.
- (9) Location/neighborhood.

b. Standard LTGs of ten or more units. Units with similar number of floors, bedrooms, square footage, age, construction style and thermal characteristics of the home, and efficiency of water heating and HVAC systems should be grouped. They will be considered a Standard LTG if the group includes at least ten units.

c. LTGs of fewer than ten units. In scenarios where Standard LTGs cannot be justified, units may be grouped in LTGs of fewer than ten units. It is recommended the average consumption groups with fewer than ten units be calculated using either a five-year average or a per-square-foot methodology, as further described in section 6.d.

6. Establishment of Utility Allowance. MHPI Companies will calculate the portion of a Service Member's BAH to be allocated for tenant-incurred utilities, including but not limited to electricity and/or gas utility costs. This utility usage estimate will be based on the energy-use characteristics of the tenant's privatized housing unit or an actual calculated average. It will be sufficiently large enough to enable payment of the average consumed utilities of a tenant living in housing units in an LTG. In all cases, the Service Member's rent plus utility allowance will be less than or equal to the Service Member's BAH.

a. Service Members who conserve utilities will be eligible to keep the difference between the utility allowance and their actual usage cost, while those who exceed the utility allowance will pay out-of-pocket for above-average usage. All tenants in an LTG will be charged the same rate.

b. Utility Allowance Calculations: MHPI Companies will develop utility allowance calculations for units or for LTGs of units based on a reasonable estimate, or actual monthly averages of utility usage levels (utility usage average) for those units or LTGs.

c. Calculating the LTG Utility Usage Average – Monthly Averaging Method. MHPI Companies will sum the monthly consumption for homes that contribute to the LTG’s utility usage average and divide by the number of units that contribute to the LTG’s utility usage average.

(1) The utility usage average is updated monthly based upon the preceding month’s consumption by the LTG (see Table 1-1).

(2) Units that are vacant or units with extended absences from the LTG should be eliminated from the consumption calculation. These units do not contribute to the LTG’s consumption average for the days the unit was vacant or there was an extended absence. Extended absences are periods greater than 15 days (including vacations and other extended absences) and are subject to notification requirements stipulated in the Universal Lease.

(3) Eliminate the top and bottom five percent of units, by consumption for a given month, from the consumption data. These units do not contribute to the LTG’s consumption average. An exemption for removing the top and bottom five percent may be made for LTGs with fewer than 20 homes.

Monthly Averaging Example	
Unit type “A”	
Units	58 units
Count of units that contribute to the LTG’s average	49 units that contribute to the average consumption (remove top and bottom 5% (3 + 3 units) by usage, and remove 3 additional vacant units)
Total Consumption	One month of consumption: 65,450 kWh
Average Consumption	Average consumption: 1,336 kWh/unit

Table 1-1: Monthly Averaging Example

d. Alternative Methodologies for small LTGs of fewer than ten units

(1) Five-year average consumption. The consumption average is updated annually based on the preceding five-year average consumption by LTG. Sum the consumption data for all

months in the sample and divide by the count of observations (see Table 1-2). Alternatively, average the consumption of five years of each month, which helps account for seasonality. For example, average consumption from five Januarys to create an average for the LTG to be applied to the current January billing and continue for the remaining eleven months of the year. MHPI Companies also have the option to weigh the current month more than the historical observations to mitigate the impact of weather fluctuations in a given month. Eliminate units when units that are vacant or with extended absences from the LTG should be eliminated from the consumption calculation. These units do not contribute to the LTG's consumption average for the days the unit was vacant or there was an extended absence. Extended absences are periods greater than 15 days, subject to notification requirements stipulated in the Universal Lease.

Five-Year Average Example	
Unit type "A"	
Units	4 units
Count of observations that contribute to the LTG's average	217 observations (4 units over five years, with some vacancy)
Total Consumption	Five years of consumption: 192,262 kWh
Average Consumption	Average consumption: 886 kWh/unit

Table 1-2: Five-Year Average Example

(2) Per square foot methodology. For small LTGs of less than ten units, consider the unit characteristics and determine which other LTG (comparable LTG) has a unit type most similar to the small LTG. Sum the monthly consumption data of the sample that includes both the small and comparable LTG and divide by the sum of the sample's square footage, resulting in the per-square-foot utility usage. Multiply the per-square-foot utility usage by the square footage of the small LTG housing unit to create the utility usage average for said LTG housing unit (see Table 1-3). Apply the utility usage buffer and complete billing calculations consistent with billing instructions in section 3. Units that are vacant or units with extended absences from the LTG should be eliminated from the consumption calculation. These units do not contribute to the LTG's consumption average for the days the unit was vacant, or there was an extended absence. Extended absences are periods greater than 15 days and are subject to notification requirements stipulated in the Universal Lease.

Per Square Foot Methodology Example		
	Unit type "J" (similar units)	Unit Type "K" (small group)
Units	63 units	4 units
Square Footage	1,312 SF	1,684 SF
Characteristics	Built new 2008, slab on grade, standard appliances, and one gas HVAC system	Built new 2008, slab on grade, standard appliances, and one gas HVAC system.
Count of observations that contribute to the LTG's average	67 units (no vacancy)	

Total Consumption	73,172 kWh	
Average Consumption	1,161 kWh/unit	
Per Square Footage Rate	$73,172 / ((63 * 1,312) + (4 * 1,684)) = \mathbf{0.818552 \text{ kWh/SF}}$	
Average Consumption		$0.818552 \text{ kWh/SF} \times 1,684 \text{ SF} = \mathbf{1,378 \text{ kWh/unit}}$

Table 1-3: Per Square Foot Methodology Example

(3) Monthly Averaging Method. The monthly averaging methodology (see section 6.c) may be used for small LTG in locations where state or local regulations limit the ability to use the five-year average or per-square-foot methodologies. See Table 1-1 for methodology example.

7. Program Inclusion/Exclusion Criteria. Any utility that has revenue grade or commercial equivalent meters that measure only the usage for an individual housing unit may be included in a RECP after all other requirements are met.

a. Units may be excluded from a RECP where laws prohibit sub-metering, where there are issues identifying appropriate LTGs, where unit demolition or disposition is pending, and where extensive repairs or renovations are required.

b. Units may be temporarily excluded from a RECP due to a tenant's service status (for example, the tenant may be a non-active military member, civilian, or belong to another category in the MHPI Company's tenant priority waterfall), or vacant housing units, including partial month occupancy.

8. Installation RECP Verification Package Review Process. Prior to implementing a RECP at an installation, MHPI Companies will provide to CNIC N931A the following verifications for each unit per reference (b), and CNIC will review and, if sufficient, recommend the package for approval to the Office of the Assistant Secretary of the Navy (Energy, Installations, and Environment) (OASN (EI&E)). Package must include:

a. A by-address inventory list of housing units that are planned for inclusion in the RECP. Such list will include the following for each housing unit planned for inclusion in the RECP:

(1) The type of RECP (electric, gas, electric and gas, water/wastewater/sewer, or other utility) the housing unit is included.

(2) The entity that built the housing unit: MHPI Company, the Government, or another entity.

(3) Whether the unit is a single-family housing unit or included in a multi-unit building (e.g., townhouse or apartment building). For multi-unit buildings, the MHPI Company will include the total number of units in the building.

(4) LTG affiliation (if applicable).

(5) The entity that owns the meter; the MHPI Company, a third-party billing company on behalf of the MHPI Company, a private utility provider, the Government, or another entity.

(6) The entity responsible for billing the tenant for utility usage: the MHPI Company, a third-party billing company on behalf of the MHPI Company, a private utility provider, the Government, or other entity.

(7) The entity responsible for payment of the utility usage to the utility provider: the MHPI tenant, the MHPI Company, or other entity.

b. A by-address inventory list of housing units planned for exclusion from the RECP, including a reason for exclusion for each unit.

c. For housing units planned for inclusion in the RECP, a by-unit description of meters for each utility will be included in the RECP. Meters must be revenue-grade utility meters or commercial equivalent and meet applicable and relevant government and industry regulations and standards. A model number or description of the meter and a list of applicable regulations and standards that are met should be included (such as manufacturer spec sheets).

d. For each housing unit that is planned for inclusion in the RECP, certify to CNIC N931A that the meter is appropriately connected to the utility infrastructure and measures only the usage for the housing unit the meter serves to validate the usage measured is solely for that housing unit.

(1) Acceptable forms of verification documentation include as-built documentation and certification statements from utility suppliers, meter owners, and infrastructure owners.

(2) Should the forms of documentation listed above prove insufficient to determine whether a meter meets the requirements, the MHPI Company may choose to perform physical inspections of individual housing units to determine whether meters are appropriately connected to the utility infrastructure and measure only the usage for the housing unit the meter serves. In lieu of performing inspections on all units, the MHPI Company may choose to use sample testing for LTGs if the following minimal sampling criteria are met:

(a) For MHPI Company-built housing units, a random sample of 5 percent of units in each LTG will be tested. If the 5 percent sample fails the test, then a random sample of 40 percent of units in the specific LTG that failed will be tested. If the 40 percent sample also fails the test, then 100 percent of units in the specific LTG that failed will be tested.

(b) For historic housing units and legacy/DoD-built housing units, a random sample of 40 percent of units in each LTG will be tested. If the 40 percent sample fails the test, 100 percent of units in the specific LTG that failed will be tested.

(3) Notwithstanding the above requirements, the MHPI Companies must take steps to ensure that no shared uses exist.

(4) Shared uses will be defined as utility-using components that meet any of the following criteria:

(a) The behavior of tenants living in a housing unit other than such unit being certified can increase the utility usage of such unit. Examples include shared HVAC units or crossed wired units wherein an outlet or other component within another housing unit is wired to such unit being certified.

(b) Any use that benefits multiple units and would not typically be wired to a single unit in market-rate housing. Examples include community uses such as high wattage streetlamps. A housing unit with minor ancillary external uses associated with a single housing unit, which may provide some benefit to neighboring housing units, can be certified if the meter is appropriately connected to the utility infrastructure and measures only the usage for the housing unit the meter serves. Minor ancillary external uses must meet all the following criteria:

1. The behavior of tenants living in a housing unit other than the unit being certified must not be able to influence the utility usage of such a housing unit.

2. The minor ancillary external use must be a use that would typically be wired to a single unit in market-rate housing. Examples include low-wattage external lighting and sprinkler timers.

3. The total monthly value of the maximum possible utility usage of all minor ancillary external uses for such unit should not exceed approximately five dollars and must in no case exceed ten dollars (as such amount may be increased to account for inflation relative to 2023 dollars).

4. Housing units with ancillary external uses that exceed ten dollars per month of utility usage should not be certified to participate in an RECP until such uses can be accurately deducted from the metered utility usage of such housing unit via a sub-meter or other certifiable metering technology.

e. For each housing unit that is planned for inclusion in the RECP, certify to the Department of Navy that the meter accurately measures the usage of such housing unit with an explanation of the tolerance by which the meter accuracy was measured and a comparison to industry and/or state government standards, as applicable.

(1) Acceptable forms of verification documentation include certification statements from utility suppliers, meter owners and/or meter manufacturers, and infrastructure owners. Statements of certification should include the meter manufacturer, model name and/or model number, and the standards to which the meter adheres.

(2) Should the forms of documentation listed above prove insufficient to determine whether the meter meets the requirements, the MHPI Company may choose to perform physical inspections of individual meters to determine whether meters accurately measure the utility usage of given housing units. In lieu of performing inspections on all meters, the MHPI Company may choose to use sample testing for Like-Type Meter Groups (LTMG) wherein meters are substantially the same in age, have the same manufacturer, and same model if the minimal sampling criteria is met. For each LTMG, a random sample of five percent of meters will be tested. If the five percent sample fails the test, then a random sample of 40 percent of meters in the specific LTMG that failed will be tested. If the 40 percent sample also fails the test, then 100 percent of meters in the specific LTMG that failed will be tested.

f. Completed MHPI Company verification packages will be reviewed by CNIC N931A. The review process is as follows:

(1) CNIC N931A will provide a package to Naval Facilities Engineering Systems Command (NAVFAC) for technical review and comment. NAVFAC will, at a minimum, review LTGs, meter verification data, spec sheets, and utility allowance calculations and provide CNIC N931A with concurrence and/or comment. Should NAVFAC determine meter verification information submitted per sections 8.b - 8.e above has been conducted per reference (b), NAVFAC will issue a letter to the MHPI Company indicating such verification has been determined by NAVFAC to be per applicable Department of the Navy (DON) policy.

(2) CNIC N931A will review NAVFAC concurrence and/or comment and request changes be made to the package by the MHPI Company if needed.

(3) CNIC N931A will provide the package to CNIC N931 for concurrence and/or comment and request that the MHPI Company makes changes, if necessary.

(4) CNIC N931A will provide packages to CNIC Director of Housing for concurrence and/or comment, and request that the MHPI Company makes changes, if necessary.

g. Once CNIC Director of Housing completes a review of the verification package and it is deemed adequate, the package will be submitted for approval to the Commander of Navy Installations Command.

h. Once CNIC completes a review of the verification package and it is approved, the package will be submitted to the OASN (EI&E) for approval by CNIC N931A per reference (b).

i. Upon OASN (EI&E) approval, CNIC N931A will update enterprise Military Housing (eMH) to reflect the units to be included in the RECP.

9. Utility Allowance Approval and Reporting

a. Utility allowances will be developed consistent with the specification in section 6. Prior to implementation, CNIC N931A and OASN (EI&E) must approve any proposed utility allowance calculations and the content of utility statements the tenant receives from the MHPI Company or third-party biller. The CNIC N931A review will follow the same process outlined in 8.f of this chapter.

b. Each MHPI Company will submit, on or before 15 November of each year, a written request for approval of utility allowance calculations for the following year. Each such request will be accompanied by billing data for individual housing units that allow for a comprehensive review of utility calculations compared to actual utility rates and usage. Such billing data may be provided via a login to a utility billing system. Annual approval of utility allowance calculations will be performed by CNIC N931A. Approvals will be provided by CNIC N931A to the MHPI Company and OASN (EI&E).

c. The utility allowance calculations must allow for intra-year adjustments to the utility allowance, as necessary. Any intra-year adjustments must follow the approval process in the above, chapter one, section 9.a.

10. Roles and Responsibilities

a. CNIC will review and provide final CNIC N931A approval of the Installation Verification Package.

b. CNIC N931 will review Installation Verification Package and provide concurrence and/or comment to CNIC N931A.

c. CNIC N931A will:

(1) Review the MHPI Company's Installation RECP Verification Package.

(a) Review MHPI Company LTGs to ensure compliance with this manual. Work with MHPI Company to provide LTG justification or adjustments if needed.

(b) Ensure the package meets all requirements of this manual and reference (b) and, if sufficient, recommend the package for approval to the OASN (EI&E).

(2) Review annual MHPI Company utility allowance calculations.

(a) Ensure MHPI Company submits, on or before 15 November of each year, a written request for approval of utility allowance calculations, for the following year.

(b) Review MHPI Company's utility allowance calculations and, once approved, provide to OASN (EI&E) for review.

d. RPDs will:

- (1) Work with MHPI Companies as needed during the meter verification process.
- (2) Work with MHPI Companies as needed to create LTG.

CHAPTER 2 PROGRAM IMPLEMENTATION GUIDANCE

1. Purpose. To provide guidance on the effective implementation and management of the RECP.
2. Scope. The RECP is intended to promote energy conservation in privatized family housing by transferring the responsibility for excess utilities usage from the MHPI Company to the tenant while incentivizing tenants to reduce overall utility usage. RECP policies will be consistent with DoD and Office of the Assistant Secretary of the OASN (EI&E) policy, conservation principles, and MHPI legislation.
3. Implementation Policy
 - a. Program Pre-Implementation Requirements
 - (1) Verification Package Approval. As outlined in chapter one of this manual, MHPI companies wanting to implement RECP at an installation must complete the meter verification process and submit a verification package. CNIC Navy Housing Public Private Venture Operations team (N931A) will notify the RPD of verification package submissions and approval timeline. If a verification package is approved by OASN (EI&E), the MHPI Company may begin the program implementation per references (a) and (b) and the implementation start date provided by OASN (EI&E) approval.
 - (2) Tenant Communication and Marketing. The MHPI Company is responsible for communicating RECP specifics to tenants. CNIC N931A and RPDs will provide support for this communication, including providing messages from senior leadership. It should be made clear to tenants that the RECP is a Navy initiative to benefit the housing communities and the environment at large. CNIC will develop and provide the RPD with a communication plan no later than 90 days prior to RECP live billing start date. This plan will outline tenant communication and HSC responsibilities before and during implementation of RECP.
 - (a) Installation Program Director (IPD) must ensure the MHPI Company begins marketing to tenants 90 days prior to RECP implementation.
 - (b) The HSC will offer counseling services to tenants and future tenants that have questions about RECP.
 - (c) All Service Members on the waitlist will be notified of the implementation date and will be provided with the tenant marketing materials created by the MHPI Company.
 - (3) HSC Staff Training. All HSC staff must be familiar with this manual and its references. RPDs will be responsible for the development and training the IPD and HSC staff on

the RECP processes prior to program implementation by utilizing and expanding on basic training materials provided by CNIC. Staff training must include:

(a) Policy and methodology.

(b) eMH data management. RPDs should coordinate eMH training requirements with the CNIC Navy Housing headquarters (N93) RECP Program Manager.

(c) Program communication plan and MHPI Company marketing.

(d) Program exclusions.

(4) eMH Data Input. CNIC N93 will coordinate uploading initial RECP unit data provided by the MHPI Companies into the Family Housing Module. Data added to eMH includes RECP utility type, LTG, LTG Name, and exclusion reason and dates.

(a) After initial RECP data input, IPDs will be responsible for updating local exclusions and program waivers prior to RECP implementation per 3.b.(2) and 3.b.(3) of this chapter.

(b) The IPD will ensure RECP data is updated, NLT the 28th of each month.

(5) Plain Language Brief. Because RECP is not rolling out enterprise wide, it is important to ensure new tenants understand the program. Most new tenants will come from installations that do not have a RECP.

(a) CNIC N93 will create the RECP slides and provide them to RPDs for distribution to IPDs.

(b) Installations without an active RECP will include a slide outlining the program and state it is suspended at their location.

(c) Installations implementing RECP will add the active slide 90 days prior to live billing. This slide will outline the program, policy, and benefits.

(6) Mock Billing. Prior to the implementation of RECP, tenants must receive a 90-day advance notice from the MHPI Company, and mock bills must be provided for a minimum of three months. Mock bills must include explanations of the calculations of the tenant's usage, utility allowance, utility usage band, and whether the tenant would have incurred a charge or received a rebate under the RECP.

(a) MHPI Companies must notify CNIC N931A, RPD, and IPD of the date tenants will receive mock billing.

(b) MHPI Companies must provide a RECP utility bill template to the IPD.

(c) When requested, HSC staff members will assist tenants in understanding their mock bills.

(7) Pre-Implementation Milestones. To facilitate consistent Navy support of the RECP, CNIC N931A will track the RECP pre-implementation process at each installation and major pre-implementation milestones. CNIC N931A will track the following milestones, and this tracking will be shared with RPDs and IPDs and may require local or regional reporting as outlined in paragraph four of this chapter:

- (a) Verification package approval.
- (b) Program marketing start date by MHPI Company.
- (c) Completion of HSC staff training.
- (d) Initial eMH data input.
- (e) Updated plain language brief start date.
- (f) Start date of mock billing.
- (g) Start date of live billing.

b. Program Implementation. The MHPI Companies are primarily responsible for implementing the RECP. However, the HSC is responsible for eMH data management and tenant support.

(1) Tenant Communication and Support. The HSC is responsible for providing customer support to tenants' questions and concerns.

(a) Marketing and Communication. The RECP communication plan will outline tenant communications and HSC responsibilities during implementation. The communication plan will be created by CNIC.

(b) Customer Support. HSC support of Service Members and their families during RECP implementation is critical to the program's success. The HSC advocates for tenants and will be available to assist tenants in understanding RECP is a DON program.

1. The HSC will offer counseling services to tenants who have questions or concerns about RECP. This can include explaining billing, methodology, and policy.

2. All prospective PPV housing tenants should receive counseling about RECP. CNIC-provided marketing materials should be used to provide supplemental information about the program policy, methodology, and benefits.

3. Tenants with RECP complaints can use HSC issue resolution services.

(2) eMH Data Input. After the initial update, IPDs will be responsible for updating installation data NLT the 28th of each month. eMH will provide a standard template for capturing unit data to upload into the system.

(a) RECP Data Access. Approved users will be assigned view or edit capabilities within the eMH RECP component. IPDs will be responsible for assigning RECP data access to family housing staff. Designated staff with existing eMH accounts should request Family Housing Module (FHM) RECP access by emailing the eMH Support Office (emhsupport@aemcorp.us). New users should request FHM RECP access when they request their eMH account.

(b) Unit Exclusions. Exclusion reasons within eMH include condition of unit, non-active military member/civilian, MHPI project tenant priority waterfall, tenant has medical care related utility costs, and unit is vacant. IPD will ensure that RECP exclusions are updated no later than the 28th of each month.

1. Automatic Exclusions. In eMH, units that house non-active military members or civilians will automatically be excluded from RECP.

2. Exclusion Input. Users with eMH RECP component permission will be able to manually input exclusion in FHM. For example, if a unit has been vacant for 31 days, HSC staff will add a RECP exclusion for “Unit is Vacant” with a start date equal to current date and exclusion end date when the unit is occupied. During the initial data upload for a new RECP project, HSC staff will need to manually input exclusions provided to current tenants prior to the RECP start date.

(3) Program Waivers. To ensure Service Members and families with severe disabilities or medical conditions do not incur additional expenses, RECP waivers will be automatically provided to all Exceptional Family Member Program (EFMP) categories IV and V, and wounded warriors. Verification of EFMP and wounded warrior status during the housing application process is vital and the RECP exclusion will need to be inputted by the HSC staff member with access to the RECP component manually. There will be no other medical waiver authorized for the program.

(a) Waiver Data Input. For EFMP category IV and V families and wounded warriors, add an exclusion for “Medical Care Utility Cost” with the start date equal to move in date. The exclusion end date will need to be updated once the unit is vacant.

(4) Utility Usage Buffer. MHPI Companies will use a 10 percent utility usage buffer above and below the average utility usage for each LTG to create a utility usage band. Tenants with usage above the usage band will incur a charge. Tenants with usage below the usage band will receive a rebate.

(5) RECP Special Considerations

(a) Payment Delinquency. MHPI Companies must provide the IPD and the tenant with their RECP delinquency policy. The MHPI Company will manage all RECP delinquency fees and charges. Tenants can use the HSC issue resolution process to dispute RECP fees or charges when unable to come to a resolution with the MHPI Company.

(b) Electric Vehicles. Tenants must notify the MHPI Company to request electric vehicle charging. Tenants will follow MHPI Company policies on electric vehicle station installation, metering, and payment. Charging an electric vehicle using RECP metered utilities is not permitted. Units found to have unauthorized electric vehicle charging may be excluded from LTG averaging by the MHPI Company. Tenants in units excluded from the LTG averaging for the charging of electric vehicles will be fully responsible for utility overages under the RECP.

(c) Home-Based Business. Tenants must notify the MHPI Company of their home-based business and follow all MHPI Company policies related to home-based businesses. MHPI Companies may choose to exclude units from LTG usage averages if the unit has a home-based business that causes an increase in utility usage that negatively affects the LTG averaging. Tenants in units excluded from the LTG averaging because of their home-based business will be fully responsible for utility overages under the RECP.

(d) Other Appliances and Equipment. Units with other appliances or equipment that cause excess usage, such as hot tubs, pools, kilns, or other similarly unusual and energy intensive uses may be excluded from LTG usage averages by the MHPI Company. Tenants in units excluded from the LTG for the use of other appliances and/or equipment will be fully responsible for utility overages under the RECP.

4. Roles and Responsibilities

a. CNIC N931A is responsible for:

(1) Notifying RPDs of RECP verification package submissions and approvals.

(2) Develop a communication plan for implementation of RECP. CNIC will provide the communication plan to the RECP no later than 90 days prior to RECP live billing start date.

(3) Provide RECP communication and marketing support through promotional materials, social media posts and graphics, leadership briefing information, plain language brief slides, and training materials.

(3) Ensure the upload of initial RECP unit data into eMH.

(4) Maintaining a master implementation milestone tracking document.

b. RPDs are responsible for:

(1) Notifying IPDs of RECP verification package submissions and approvals.

(2) Ensuring that all CNIC RECP materials are provided to IPDs.

(3) Ensuring comprehensive training of the IPD and HSC staff.

(4) Reporting the following implementation milestones to CNIC N931A: MHPI Company marketing start date, training progress, and completion, date RECP is added to plain language brief, the start date of mock billing, and the start date of live billing.

c. IPDs are responsible for:

(1) Reporting the date the MHPI Company provides tenants with 90-day advance notice of the RECP start date and the date of mandatory three months of mock billing to tenants. IPDs will report these milestones to the RPD.

(2) Ensuring the HSC provides RECP counseling services to tenants and future tenants.

(3) Updating the plain language brief to include the RECP slides 90 days prior to implementation. This start date must be reported to the RPD.

(4) Reviewing and collecting the MHPI Company's RECP delinquency policy prior to live billing and ensuring the MHPI Company provides this policy to tenants. The IPD must also provide the RPD with a copy of the delinquency policy.

(5) Reporting the start date of live RECP billing to the RPD.

(6) Input of all RECP exclusions into the eMH FHM monthly.

CHAPTER 3 PROGRAM OVERSIGHT AND COMPLIANCE

1. Purpose. To provide guidance on the oversight of the RECP at a local, regional, and headquarters level.
2. Scope. Comprehensive oversight of the RECP is critical to program consistency, success, and increased energy conservation enterprise wide. To ensure program compliance with policy, oversight will be standardized across all installations, regions, and at CNIC Navy Housing headquarters (N93).

3. Oversight and Compliance Policy

- a. Oversight and Compliance

- (1) MHPI Company Compliance Requirements

- (a) MHPI Companies will give IPDs, RPDs, and CNIC N93 access to an electronic RECP inventory tracking system or provide an updated by-address inventory report monthly as outlined in chapter one along with any temporary exclusions.

- (b) MHPI Companies will provide IPDs, RPDs, and CNIC N93 access to detailed billing information for individual housing units to facilitate a review of utility allowance calculations.

- (2) IPD Oversight Requirements

- (a) HSCs will update any approved RECP inventory data changes provided by the MHPI Company as of 30 September into eMH FHM RECP component by the end of the first quarter of the following government fiscal year. This requirement does not apply to the first year of RECP operation, as CNIC N93 will upload the initial RECP data.

- (b) HSCs will update or otherwise input the RECP inventory data into eMH at least monthly to identify any changes, including temporary exclusions.

- (c) HSCs will perform quarterly billing oversight to ensure the accuracy of utility billings by reviewing 5 percent of billed inventory but not to exceed 100 units, chosen at random. Billing oversight must be completed by the last day of each quarter. The review will include:

1. Review sample and ensure units are correctly grouped in CNIC approved LTG. Note any anomalies in the data that might indicate a unit is grouped incorrectly.

2. Review the sample to ensure the correct utility allowance calculation is being used and confirm the bill lists the actual consumption and commodity rate.

3. Ensure the buffer of ten percent is applied correctly.

4. When incorrect groupings or inaccurate data is found, the IPD will notify the MHPI Company immediately for correction.

5. Completion of the quarterly review must be noted on the monitoring matrix (MMx) for that month.

(d) HSCs will review consumption data for anomalies monthly.

1. Anomalies are units in the top five percent of utility usage for three consecutive months or more than six months annually. Anomalies may indicate a unit is grouped incorrectly, the unit needs maintenance, or the tenant needs energy conservation counseling.

2. HSCs will contact the tenant of anomalous units to counsel them on energy conservation, home energy audit requests, and the possible need to submit a maintenance ticket to check HVAC operation.

b. Annual Utility Allowance Calculation Review. Each MHPI Company will submit, on or before 15 November of each year, a written request for approval of utility allowance calculations for the following year to CNIC N93. Each request will be accompanied by billing data for individual housing units that allow for a comprehensive review of utility calculations compared to actual utility rates and usage. Such billing data may be provided via a login to a utility billing system. CNIC N93 will provide submitted items to RPDs and IPDs for review and concurrence. Annual approval of utility allowance calculations will be performed by CNIC. CNIC will provide approvals to the office of the OASN (EI&E).

c. Complaints and Issue Resolution. Privatized housing tenants under RECP can file complaints about the program or MHPI Company to the HSC. The HSC counselors will work with Service Members and their families to resolve the complaint per reference (d). RECP complaints must be documented in the eMH complaint module using the reason “RECP ISSUES.”

(1) All RECP related complaints must be reported monthly on the MMx to the RPD. RPDs will provide oversight and support for RECP complaints as needed.

(2) Recurring issues, complaints, or systemic issues with the program will be reported monthly on the MMx.

d. Home Energy Audits (HEA). HEAs are a critical tool to provide a thorough analysis of a unit’s energy use. HEAs can also be useful during the issue resolution process involving a RECP complaint. The MHPI Company will conduct an HEA at the request of the tenant, the HSC, or the property manager. MHPI Companies will follow the United States Department of

Energy recommendations when conducting the HEA and will provide a report to the tenant and IPD within 10 business days of audit completion. All HEA reports must be uploaded in the eMH complaint module within five business days of receipt. The total number of HEAs completed monthly will be reported on the MMx.

4. Roles and Responsibilities

a. CNIC is responsible for:

(1) Ensuring MHPI Companies provide access to an electronic RECP inventory tracking system or provide an updated by-address inventory report to both CNIC N93, RPDs, and IPDs.

(2) Collecting and reviewing MHPI Companies' annual written request for approval of utility allowance calculations and billing data. Provide submitted items to RPDs and IPDs for review and concurrence. Once written request is approved, CNIC will provide said approval to OASN (EI&E).

b. RPDs are responsible for:

(1) Reviewing the annual utility allowance calculation as compared to actual utility rates and usage.

(2) Ensure RECP complaints are tracked on the monthly MMx and providing support to HSC as needed. Verify any reoccurring or systemic related RECP complaints are reported on MMx.

(3) Review and provide concurrence or non-concurrence of the annual utility allowance.

c. IPDs are responsible for:

(1) RECP eMH data management.

(2) RECP billing oversight, including annual review of utility allowance calculations and quarterly review of individual units' billings. IPDs will notify the MHPI Company of any inaccuracies found during review.

(3) Providing issue resolution services to Service Members and their families with RECP related complaints.

(4) Collecting all HEA reports and ensuring they are uploaded into eMH.

(5) Reporting RECP oversight functions on the monthly MMx.