

APPENDIX F –VIVIDLY BRIGHTER UPGRADES PROGRAM-EE RULES AND REGULATIONS

I. PURPOSE

This Appendix F states the Cooperative’s General Rules and Regulations for Customers participating in the Cooperative’s On-Bill Tariff program henceforth referred to as "Vividly Brighter Upgrades Program-EE"¹. If a provision in the Cooperative’s overall Terms and Conditions for Providing Electric Distribution Service conflicts with a provision in Appendix F, the provision in Appendix F will control those Customers who have voluntarily elected to participate in the Vividly Brighter Upgrades Program-EE.

II. APPLICABILITY

This Rider is available on a voluntary basis as a companion rate to certain Customers for the purposes of improving resource efficiency and reducing net electric bills. This Rider is available to Customers taking service under Rate Schedule A-1 (Residential and Church Service) in all territory served by the Cooperative, subject to the Terms and Conditions of the Cooperative on file with the Virginia State Corporation Commission.

III. DEFINITIONS

Energy Efficiency Measures: Means any installation, improvement, addition, or equipment approved by the cooperative for purpose of its on-bill tariff program that has the primary purpose of improving the energy efficiency of the premises and reducing its consumption of energy, including heating and air conditioning systems, water heaters, weatherization, insulation, window and door modifications, appliances, and automatic or Internet-connected energy control systems.

On-Bill Tariff Agreement: Means an agreement between an eligible customer and the Cooperative that provides for the terms, conditions, payments, and costs, including financing or capital costs, of the installation of Energy Efficiency Measures at a premises to be paid by or through the cooperative and repaid by the eligible customer and subsequent customer at the same premises by means of a Vividly Brighter Upgrades-EE Charge, and defines any other customer benefits and obligations and duration of payments. The On-bill tariff agreement henceforth known as a “Participant Agreement”.

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¹ Vividly Brighter Upgrades is the brand name for the Cooperative offering of innovative programs that power an economical and energy efficient future. The On-Bill Tariff program, as governed by the Virginia Administrative Code§ 56-585.7, is one program promoted under the brand name.

Vividly Brighter Upgrades Program-EE: Means a voluntary tariff program that allows eligible Customers (i) to arrange through the cooperative for its provision and installation, by Approved Vendors, from which Customers can choose, of Energy Efficiency Measures at the Customer's premises without an upfront payment and (ii) to pay back over time the cost of the Energy Efficiency Measures through a Vividly Brighter Upgrades -EE Charge.

Program Costs: Means a participating cooperative's (i) identified, projected, and actual costs to design, implement, and operate its Vividly Brighter Upgrades program, including costs to request and evaluate vendor proposals and manage the vendors; (ii) administrative, labor, and marketing charges; (iii) costs of obtaining funds used by the cooperative to pay for the Energy Efficiency Measures; (iv) write-offs for any unpaid Vividly Brighter Upgrades -EE Charges after an extended vacancy of at least 1 year and in accordance with the existing Terms and Conditions of the Cooperative; and (v) reasonable margin. The Cooperative will add a 3% charge per annum on the cost of the Energy Efficiency Measures for each Participant to cover the Cooperative's costs for designing, implementing, and operating the Vividly Brighter Upgrades Program-EE. However, the Cooperative opts not to impose a margin on the costs of this program.

Satisfactory Installation: A project for which the Energy Efficiency Measures specified in the Participant Agreement as determined by Rappahannock Electric Cooperative have been approved as complete and for which the premises Owner has signed a Work Acceptance Form. A Work Acceptance Form specifies the installation measures to be completed at the participant's location.

IV. RULES FOR PARTICIPANTS AND PROGRAM ADMINISTRATOR

1. Eligible Premises: Premises constructed within five years prior to the Customer's request to participate in the Program or premises that are under initial construction are not eligible premises. Premises deemed unlikely to be habitable or to serve their intended purpose for the duration of Cooperative's cost recovery are not eligible premises unless repairs are made that will extend the life through the Cooperative's cost recovery period. If a premise is a manufactured home, it must be located on land owned by the Customer, built on a permanent foundation and fabricated within thirty years. In all cases, the Cooperative shall solely determine the eligibility of any premises to participate in the Vividly Brighter Upgrades Program-EE.
2. Eligible Customer: means a Customer receiving service from a Cooperative under Rate Schedule A-1 (Residential and Church Service) in all territory served by the Cooperative, subject to the Terms and Conditions of the Cooperative on file with the Virginia State Corporation Commission, who has asked to participate in the cooperative's Vividly Brighter Upgrades Program-EE. It shall not be a requirement that the structure be all-electric.

3. Participation: To become a Participant in the Program, a Customer must: 1) request from the Cooperative an Assessment of an eligible premise, 2) agree to the terms of and sign the Participant Agreement. Participants must either own the premises or the premises' owner must also sign the Participant Agreement agreeing to not remove or damage the installed Energy Efficiency Measures, to maintain them, and to provide Notice of the benefits and obligations associated with the installed Energy Efficiency Measures at the location to the next owner or Customer before the sale or rental of the property.
4. Notice of Tariff Charge: The owner of the premises at which the Cooperative will implement the Energy Efficiency Measures agrees to allow the Cooperative to attach a Notice of Tariff Charge to their property records through the signed Participant Agreement that describes the benefits and obligations associated with the installed Energy Efficiency Measures. In jurisdictions in which the Cooperative cannot attach a Notice of Tariff Charge to property records, and in any case where a subsequent tenant executes a rental agreement, the Notice of Tariff Charge must be signed by a successor Customer who is a purchaser prior to their purchase or renter prior to signing a rental agreement indicating they were informed about the benefits and obligations associated with the installed measures at the location. Failure of the owner to obtain the signature on the Notice of Tariff Charge may constitute the owner's acceptance of consequential damages and permission for a tenant or purchaser to break their lease or sales agreement without penalty. The Cooperative shall endeavor to make the new customer aware that a tariff charge exists for such premises.
5. Assessment: The Cooperative will provide offers of Energy Efficiency Measures based on its detailed on-site data collection and analysis of the cost-effectiveness of qualifying Energy Efficiency Measures and will present a detailed description of the Energy Efficiency Measures and associated costs directly to the Customer.
6. Assessment Fee: The Assessment Fee will be treated as Program Costs and will not be recovered from the Customer.
7. Energy Efficiency Plans: The Cooperative or its designee will perform an Assessment and prepare an Energy Efficiency Plan that recommends a suite of Energy Efficiency Measures to improve energy efficiency and developed to lower the Customer's electric bill. Energy Efficiency Measures may include any installation, improvement, addition, or equipment approved by the Cooperative for purpose of its On-Bill Tariff Program that have the primary purpose of improving the energy efficiency of the premises and reducing its consumption of electricity, including heating and air conditioning systems, water heaters, weatherization, insulation, window and door modifications, appliances, and automatic or Internet-connected energy control systems, as well as any other measure or upgrade that meets the 80% rules described in Sections 8 ("Net Savings") of the Terms and Conditions of the On-Bill Tariff Program.

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8. Net Savings: The Energy Efficiency Measures that the Cooperative recommends to the Participant will be limited to those where the annual Energy Savings Charge, including program fees and applicable charges for capital, is no greater than 80% of the estimated annual electric bill savings (as a result of the Energy Efficiency Measures taken as a whole) to a participating Customer based on the retail rates for electricity at the time that the Cooperative compiles the recommendations (also known as the “80% rule”).
9. Approved Contractor: A contractor approved by the Cooperative or its designee to install Energy Efficiency Measures according to the Energy Efficiency Plan, or “Easy Plan” and assigned by the Cooperative or its designee or selected by the Customer from a list of Approved Contractors.
10. Quality Assurance: Following the completion of installation of Energy Efficiency Measures, the Cooperative or its designee will conduct on-site or remote inspection and execute a signed Work Acceptance Form before authorizing payment to the Approved Contractor. The Participant must also sign the Work Acceptance Form prior before the Cooperative authorizes payment to the Approved Contractor. If the Participant refuses to sign the Work Acceptance Form, the Cooperative or its designee will perform an investigation. If the Cooperative or its designee does not approve the installation of the Energy Efficiency Measures, the Approved Contractor must correct the deficiencies (as identified by the Cooperative or its designee) at no additional cost to the Cooperative or the Participant and pay the failed inspection penalty fee.
11. Energy Savings Charge henceforth referred to as "Vividly Brighter Upgrades - EE Charge": The Cooperative will recover its costs for its investments including any fees as allowed in this tariff through a monthly Vividly Brighter Upgrades-EE Charge assigned to the premises where installed Energy Efficiency Measures are installed. Vividly Brighter Upgrades - EE Charges will be paid by the Participant or successor Customers occupying that location until all Cooperative costs have been recovered. The Vividly Brighter Upgrades - EE Charge will also be set for a duration not to exceed the greater of i) the length of a full parts and labor warranty or ii) 80 percent (80%) of the estimated life of the installed Energy Efficiency Measures. The Vividly Brighter Upgrades -EE Charge and duration of payments will be included in the Participant Agreement. Payments of Vividly Brighter Upgrades-EE Charges made by Participants or subsequent Customers shall be retained by the Cooperative and amounts credited against the appropriate category of Program Costs in the manner determined by the Cooperative. The financing interest rate or cost of capital included in the Vividly Brighter Upgrades-EE Charge specified in the Participant Agreement shall be less than prevailing market rates.
12. Tied to the Location: Until cost recovery for installed Energy Efficiency Measures at a location is complete or the installed Energy Efficiency Measures fail as described in Sections 15 (“Maintenance of Installed Energy Efficiency Measures”) and 20 (“Repairs”), the Terms and Conditions of the Vividly Brighter Upgrades Program-EE shall be binding on the metered structure or facility and any future Customer who shall receive service at that location.

13. Cost Recovery: No sooner than 45 days after approval by the Cooperative or its Program Operator, the Participant shall be billed the monthly Vividly Brighter Upgrades-EE Charge as described in the Participant Agreement and determined by the Cooperative or its designee. The Cooperative will bill and collect the Vividly Brighter Upgrades-EE Charge until its cost recovery is complete except in cases discussed in Sections 16 (“Vacancy”) through 21 (“Monitoring and Evaluation”) of the Terms and Conditions of the Vividly Brighter Upgrades Program-EE. Prepayment of the Vividly Brighter Upgrades-EE Charge is not permitted.
14. Ownership of Installed Energy Efficiency Measures: During the period of time when the Vividly Brighter Upgrades-EE Charge is billed to Participants at locations where the Cooperative has implemented Energy Efficiency Measures, the Cooperative will retain ownership of the installed Energy Efficiency Measures. Upon completion of its cost recovery, ownership will be transferred to the premises’ owner.
15. Maintenance of Installed Energy Efficiency Measures: Participants and premises owners (if the Participant is not the premises owner) shall keep the installed Energy Efficiency Measures in place, in good working order, and maintained per manufacturer’s instructions for the duration of the cost recovery period. Participants shall report any failure or suspected failure of the Energy Efficiency Measures to the Cooperative immediately. In the event an Energy Efficiency Measure fails, the Cooperative will determine the cause of failure and repair the Energy Efficiency Measures in a timely manner. If the Cooperative determines that the owner, Participant, or any occupant of the premises at which the Energy Efficiency Measures were installed caused damage to the Energy Efficiency Measures, the Cooperative will continue to bill the Participant for the Vividly Brighter Upgrades-EE Charges until the Participant has reimbursed the Cooperative for the damaged Energy Efficiency Measures as described in Section 20 (“Repairs”).
16. Vacancy: If a premises at which the Cooperative has implemented Energy Efficiency Measures becomes vacant for any reason and electric delivery service is disconnected, the Cooperative will suspend the Vividly Brighter Upgrades-EE Charge until a successor Customer initiates electric delivery service. If the premises remains vacant for at least 12 months, the Cooperative may deem the remaining unpaid Vividly Brighter Upgrades-EE Charges uncollectible.
17. Extension of Vividly Brighter Upgrades-EE Charge: If the Cooperative reduces or suspends a Participant’s Vividly Brighter Upgrades-EE Charge for any reason, once repairs have been successfully effected or service reconnected, the number of total monthly payments shall be extended until the total collected through the Vividly Brighter Upgrades-EE Charge is equal to the Cooperative’s cost for installation as described in Section 20 (“Repairs”), including costs associated with repairs, deferred payments, and missed payments as long as the current occupant is still benefiting from the installed Energy Efficiency Measures.

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18. Disconnection for Non-Payment: In accordance with Virginia Code § 56-585.7.E.6, the Vividly Brighter Upgrades-EE Charges are an essential utility service, and the Cooperative may disconnect the metered structure for non-payment of Vividly Brighter Upgrades-EE Charges under the same provisions as for any other electric service. If service is disconnected for Customers on prepaid payment plans, Vividly Brighter Upgrades-EE Charges will be prorated by the day.
19. Termination of Vividly Brighter Upgrades-EE Charge: Once the Cooperative's cost recovery from a Participant's premises is complete, the Vividly Brighter Upgrades-EE Charges at that location will no longer be billed, except as described in Sections 15 ("Maintenance of Installed Energy Efficiency Measures") and 18 ("Disconnection for Non-Payment").
20. Repairs: Participant and subsequent occupants at the premises shall be responsible only for the payment of billed Vividly Brighter Upgrades-EE Charge upon satisfactory installation of the Energy Efficiency Measures as set forth in the Participant Agreement. The Vividly Brighter Upgrades-EE Charge will continue until the Cooperative's cost recovery is complete as long as the installed Energy Efficiency Measures continue to function. Should, at any time during the term of the Vividly Brighter Upgrades-EE Charge, the Cooperative determine that the installed Energy Efficiency Measures are no longer functioning as intended and that the Participant, occupant, or premises owner, as applicable, did not damage or fail to maintain the installed Energy Efficiency Measures, the Cooperative shall reduce or suspend the Vividly Brighter Upgrades-EE Charge until such time as the Cooperative, its designee, or Approved Contractor repairs the Energy Efficiency Measures. If the Energy Efficiency Measures cannot be repaired or replaced in a cost-effective manner, the Cooperative will waive any and all remaining Vividly Brighter Upgrades-EE Charges.

However, if the Cooperative determines the Participant, occupant, or premises owner, as applicable, did damage or fail to maintain the Energy Efficiency Measures, the Cooperative will seek to recover all costs associated with the Energy Efficiency Measures and installation thereof, including any fees, incentives paid to lower the Participant's Vividly Brighter Upgrades-EE Charges, as well as any applicable legal fees through the Vividly Brighter Upgrades-EE Charge. The Cooperative will continue to bill the Participant the applicable Vividly Brighter Upgrades-EE Charges until it recovers all relevant costs as described in this section of the Terms and Conditions of the Vividly Brighter Upgrades Program-EE.

21. Monitoring and Evaluation: The Cooperative or its designee will compare each participant's post-installation actual annual electric savings to estimated annual electric savings at least once for each location during the term of the Vividly Brighter Upgrades-EE Charge. If the Cooperative or its designee identifies any instances where actual savings are below 80% of the premises' estimated savings, the Cooperative or its designee will perform an investigation to identify the cause and take appropriate action including those described in Section 20 ("Repairs") or enforcing agreements with Approved Contractors or Participants.

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