



Noelle J. Coates Senior Counsel - Regulatory Services (804) 698-5541 (P) (804) 698-5526 (F) njcoates@aep.com The Honorable James C. Dimitri State Corporation Commission Tyler Building 1300 East Main Street Richmond, Virginia 23219

Dear Judge Dimitri:

Please find enclosed, as required by Subsection H of Senate Bill 1349 (2015 Va. Acts c. 6), the report of Appalachian Power Company regarding the status of its pilot programs to provide energy assistance and weatherization for low income, elderly, and disabled individuals in its service territory in the Commonwealth.

Please do not hesitate to contact me with any additional questions.

Sincerely,

Nøelle J. Coates





Noelle J. Coates Senior Counsel - Regulatory Services (804) 698-5541 (P) (804) 698-5526 (F) njcoates@aep.com The Honorable Mark C. Christie State Corporation Commission Tyler Building 1300 East Main Street Richmond, Virginia 23219

Dear Judge Christie:

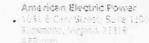
Please find enclosed, as required by Subsection H of Senate Bill 1349 (2015 Va. Acts c. 6), the report of Appalachian Power Company regarding the status of its pilot programs to provide energy assistance and weatherization for low income, elderly, and disabled individuals in its service territory in the Commonwealth.

Please do not hesitate to contact me with any additional questions.

Sincerely

Enclosure

Noelle J. Coates





Noelle J. Coates Senior Counsel - Regulatory Services (804) 698-5541 (P) (804) 698-5526 (F) njcoates@aep.com The Honorable Judith Williams Jagdmann State Corporation Commission Tyler Building 1300 East Main Street Richmond, Virginia 23219

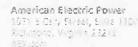
Dear Judge Jagdmann:

Please find enclosed, as required by Subsection H of Senate Bill 1349 (2015 Va. Acts c. 6), the report of Appalachian Power Company regarding the status of its pilot programs to provide energy assistance and weatherization for low income, elderly, and disabled individuals in its service territory in the Commonwealth.

Please do not hesitate to contact me with any additional questions.

Sincerely.

Noelle J. Coates





Noelle J. Coates Senior Counsel - Regulatory Services (804) 698-5541 (P) (804) 698-5526 (F) njcoates@aep.com The Honorable Terry G. Kilgore Virginia House of Delegates Chair, Commerce and Labor Committee 197 West Jackson Street Gate City, VA 24251

Dear Delegate Kilgore:

Please find enclosed, as required by Subsection H of Senate Bill 1349 (2015 Va. Acts c. 6), the report of Appalachian Power Company regarding the status of its pilot programs to provide energy assistance and weatherization for low income, elderly, and disabled individuals in its service territory in the Commonwealth.

Please do not hesitate to contact me with any additional questions.

Sincerely,

Noelle J. Coates





Noelle J. Coates Senior Counsel - Regulatory Services (804) 698-5541 (P) (804) 698-5526 (F) njcoates@aep.com The Honorable Terry McAuliffe Commonwealth of Virginia P. O. Box 1475 Richmond, Virginia 23218

Dear Governor McAuliffe:

Please find enclosed, as required by Subsection H of Senate Bill 1349 (2015 Va. Acts c. 6), the report of Appalachian Power Company regarding the status of its pilot programs to provide energy assistance and weatherization for low income, elderly, and disabled individuals in its service territory in the Commonwealth.

Please do not hesitate to contact me with any additional questions.

Sincerely

Noelle J. Coates





Noelle J. Coates Senior Counsel - Regulatory Services (804) 698-5541 (P) (804) 698-5526 (F) njcoates@aep.com The Honorable Frank W. Wagner Senate of Virginia Chair, Commerce and Labor Committee P.O. Box 68008 Virginia Beach, VA 23471

Dear Delegate Wagner:

Please find enclosed, as required by Subsection H of Senate Bill 1349 (2015 Va. Acts c. 6), the report of Appalachian Power Company regarding the status of its pilot programs to provide energy assistance and weatherization for low income, elderly, and disabled individuals in its service territory in the Commonwealth.

Please do not hesitate to contact me with any additional questions.

Sincerely,

Noelle J. Coates

Veteran Energy Pilot Program

Appalachian Power Company (Appalachian Power or the Company) met with members of the Governor's administration, the Department of Social Services, the Department of Health and Human Resources, and the Department of Veteran's Services to determine areas of need for low income customers. Identified in the meetings was a need for support for homeless veterans.

On August 31, 2015, Appalachian Power and Dollar Energy Fund, Inc. (Dollar Energy) signed a letter of agreement setting forth the operating parameters of the Veteran Energy Voucher Program. As administrator, Dollar Energy is responsible for managing and administering all phases of the Veteran Energy Voucher Program. The goal of the program is to provide utility grant assistance to low-income homeless veterans to assist them getting back into housing. Those veterans enrolled in the Virginia Veterans & Family Support program or the Total Action for Progress (TAP) program within the Company's Virginia service area qualify for the assistance.

Appalachian Power allocated \$100,000 to the program: \$91,750 for funding of grants and \$8,250 for operating fees to Dollar Energy. To access the \$500 energy voucher, Virginia Veterans & Family Support or TAP completes the application for new electric service on behave of the Veteran. The agency also submits an application with Dollar Energy for the energy voucher. Each \$500 energy voucher is used for connection fees and deposits, with any remaining voucher funds applied to future billings.

The following table provides statistics of the program through June 30, 2016.

Company			Date
Appalachian Power – VA			10/1/2015 - 6/30/201
	Monthly Pa	articipation	
Month	Applications	Grants	Amount Granted
October 2015	7	7	\$3,500.00
November 2015	5	4	\$2,000.00
December 2015	5	5	\$2,500.00
January 2016	3	3	\$1,500.00
February 2016	2 *	2	\$1,000.00
March 2016	1	1	\$500.00
April 2016	5	5	\$2,500.00
May 2016	2	2	\$1,000.00
June 2016	10	10	\$5,000.00
Total	40	39	\$19,500.00
	Granted App	lication Stats	8
Description	FIRST TOTAL	Count	Average
Grant Amount		\$19,500.00	\$500.00
Family Size		56	1.44
Children (18 years old and younger)		8	0.21
Adults (19-61 years old)		44	1.13
Seniors (62 years old and older)		4	0.10
Monthly Income Per Household		Not Applicable	\$871.85
	County Pa	rticipation	
County	Applications	Grants	Amount Granted
VA-City of Roanoke	37	37	\$18,500.00
VA-City of Salem	1	1	\$500.00
VA-City of Staunton	1	1	\$500.00
VA-Montgomery	1		
Total	40	39	\$19,500.00

Appalachian Power plans to roll over the remaining funds into a 2016-2017 Veterans

Energy Voucher program with the hope of providing more homeless veterans with assistance to get back into housing.

Multifamily Residential Energy Efficiency Pilot

The goal of the multifamily residential energy efficiency pilot was to weatherize and improve the overall efficiency of a selected multi-family property in the Company's service territory. The Company met with representatives from the Virginia Department of Housing and Community Development and determined the need for a multifamily pilot in the Company's service territory. The selected property, Old Orchard Place, is a 30 unit apartment complex located in Pearisburg. The complex was constructed in 1995 and has five identical buildings of six units. Individual units are all on one level consisting of one bedroom and one bathroom, measuring approximately 536 square feet each. The construction of all buildings is frame on slab. All tenants residing in the property are low income, elderly and/or disabled. This property was chosen in collaboration with Community Housing Partners and is representative of low-income and elderly multi-family housing in the Company's service territory.

The Company partnered with Community Housing Partners to develop a synopsis and scope of work for the property. Approximately 60% of the heat pumps were original to the construction of the complex. Refrigerator metering indicated a benefit to replacing seven appliances with ENERGY STAR® certified models. All lighting in the units was discovered to be old fluorescent style with the exception of one 40W incandescent bulb located under the range hood. Kitchen and bathroom faucets were found to have non-low-flow fixtures. After determining a baseline, the Company and Community Housing Partners determined that the best approach to maximize efficiency in the units would be to perform the following:

- Replace all heat pumps with new Fujitsu Ductless 33 SEER mini-split heat pumps.

 These high performance systems are able to maintain heating capacity down to -5° F, making them among the highest rated efficiency equipment available on the market.
- Replace seven refrigerators with new ENERGY STAR® certified models. ENERGY STAR® certified refrigerators are nine percent more energy efficient than models that meet the federal minimum standard for energy efficiency.
- Install 1.5 gallons per minute low-flow aerators on all kitchen and bathroom fixtures.

 The aerators save water and energy by producing forceful streams at a reduced flow rate that minimizes the amount of energy needed to heat water.
- Install new light emitting diode (LED) lighting in all units. LED lighting uses less energy than equivalent incandescent light bulbs and can last 10-30 times longer.

At the time of this report, all upgrades have been performed. The Company plans to evaluate the energy usage of the units to determine actual savings achieved as a result of this pilot.



Photo of new mini-split heat pump (left) and the existing heat pump (right)



Ice build-up on the existing HVAC units indicated the units were not operating efficiently



New LED lighting



New ENERGY STAR® Refrigerator

Energy Efficiency Education Pilot

The Energy Efficiency Education Pilot identifies Appalachian Power customers who receive financial assistance paying their electric bills through different agencies. The program provides mailings directly to these customers with information regarding measures they can take to save energy and reduce electric bills (a sample is attached). The mailing also provides information regarding programs offered by the Company and by weatherization providers in the service territory to assist customers with energy conservation. Additionally, the mailing includes an offer for a free energy conservation kit that includes simple, easy to install energy saving measures.

The Company partnered with Dollar Energy to collaborate on the pilot program. The Company and Dollar Energy developed an energy efficiency packet that ultimately gets sent to customers who enroll in the Neighbor-to-Neighbor program, as well as customers receiving electric bill assistance through other agencies identified by the Company. The Neighbor-to-Neighbor program lets customers donate funds to help pay electric bills for low-income customers in the Company's Virginia service territory. The energy efficiency packet includes:

- Information regarding specific measures or behavior changes customers can take to reduce energy consumption;
- Energy Efficiency and Demand Response programs offered by the Company in which customers could participate;
- Information on other weatherization assistance programs offered in the Company's service territory;
- Literature to increase energy efficiency awareness; and
- A post card with information on how the customer can receive a free energy conservation kit. A sample of the post card is attached.

In order for the customer to receive the energy conservation kit, they are required to mail back the prepaid information card or call a toll-free number dedicated to the program.

Customers receiving a grant from the Neighbor-to-Neighbor program are also able to request a kit during the application phase. The energy conservation kits are mailed to the customer's home and contain the following measures:

- Six energy efficient light bulbs
- Two energy efficient LED night lights
- Two energy efficient faucet aerators
- One refrigerator thermometer

The program eligibility is income based and qualification is assumed based on the receipt of assistance through qualifying programs. Approximately 6,000 customers are expected to receive an energy conservation kit through this pilot. At the time of this report, 281 customers have responded to the initial mailing and additional mailings are scheduled in the near future. The Company plans to evaluate the results of the pilot to determine overall effectiveness and customer satisfaction.

Post Card Proof





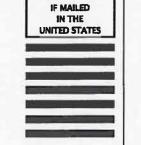
BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 3536 NORTH CHARLESTON, SC

POSTAGE WILL BE PAID BY ADDRESSEE

TAKE CHARGE -

Dollar Energy Fund 4740 Rivers Avenue Charleston, SC 29405

անկինվիլՈՍՈվիլՈւրարդինիկիրդյիրությեր



NO POSTAGE NECESSARY









Dear Valued Customer.

We understand that sometimes expenses can be overwhelming and hard to handle. At Appalachian Power, we care about our customers and want you to be satisfied with the valuable product we provide. We are sending this letter and enclosed information to help you with reducing your energy usage and ultimately your energy bill. It is important for our customers to know that there are many options for reducing energy use. Some are as simple as changing your thermostat setting or replacing a light bulb, while others may require a little more effort. In short, there are many simple steps that you can do on your own, and additionally, there are energy efficiency programs offered by Appalachian Power and other agencies in your area that can help you keep your electric bill manageable.

Let's get started with the easy stuff!

- Lighting is one of the easiest changes to make. If you still have old incandescent light bulbs, they are using about 4
 times the amount of electricity of newer CFL or LED light bulbs. The lights that are used the most would be the best
 place to start. Enclosed with this letter is an offer from Appalachian Power to help you get started on changing these out
 for free. Return the postcard or call the number on the card to request your free energy saving kit that includes 6 CFL
 bulbs, 2 LED night lights, 2 high efficiency aerators, and a refrigerator thermostat. This offer is available to the first 6,000
 customers who respond.
- 2. Assess your home for energy saving opportunities. Appalachian Power has a free on-line assessment that will help you identify what is using the most energy and what steps you can take to reduce usage. The on-line assessment can be found at TakeChargeVA.com and takes only a few minutes to complete. The report will make recommendations and estimates of how much you could save by implementing each measure. As an incentive to take the assessment, Appalachian Power will send you a free energy savings kit that includes CFL light bulbs, LED night lights and efficient aerators. This kit is in addition to the one mentioned above.
- 3. Lower your thermostat during the heating season. For each degree you lower your thermostat, it can save you up to 3% on your heating costs. Put on a sweater or sweatshirt and try to gradually get used to a lower temperature in your home. The Department of Energy recommends your thermostat be set at 68 degrees, but even a small change could save you money.
- 4. Hot water heating is the second most energy intensive device in a home. Lower the thermostat on your hot water heater to 120 degrees. Keep in mind that this appliance is working all the time to keep hot water readily available when you need it. If you are going to be away for several days turn it off at the breaker. Be sure to leave yourself a reminder to turn it on when you get home or you may have a cold shower the next day!
- 5. Rebates are available for participating in Appalachian Power's Residential Peak Reduction program. If you have a central air conditioner and are willing to allow Appalachian Power to cycle the unit off 50% of the time during periods of peak usage, we will give you a credit on your bill of \$8 per month during the 5 summer months for a total of \$40. These cycling events typically last 3-4 hours and then the air conditioner returns to normal operation. You must own your home or get permission from the owner to participate. All you have to do is call 855-522-8216 to schedule an installation.



Ready to go even further with your energy savings?

- 1. Weatherization agencies in your area provide energy saving measures for families that meet income qualifications. The Weatherization Assistance Program provides measures that reduce residential heating and cooling costs for low-income families and enhance the health and safety of residents. The program provides repairs and improvements to home heating and cooling systems and provides for the installation of energy-saving measures in the house, such as insulation and air sealing, at no cost. Contact your local weatherization agency on the attached list to see if you qualify and to learn more.
- 2. Appalachian Power's Home Performance program. Schedule a Home Performance Assessment and receive a personalized report showing the projected energy and cost savings from the implementation of options identified during the assessment. The Home Performance Assessment provides you with:
 - · An on-site assessment of your energy use
 - · A report which contains cost-effective options and recommendations to help you reduce your energy use
 - Rebates available from Appalachian Power that cover approved measures such as insulation, air or duct sealing, and replacement of electric furnaces with heat pumps
 - Connections to qualified contractors who can perform energy efficiency upgrades
 - Installation of simple, low-cost energy saving measures including: CFL and LED light bulbs, efficient aerators and showerheads, energy saving measures for electric water heaters, replacement air filters and more!

There will be a fee from the contractor that can be offset by rebates available from Appalachian Power. Find a participating contractor at TakeChargeVA.com or by calling 855-422-5510.

We hope you found this information to be helpful in reducing your energy use. Find out more at our website dedicated to energy efficiency at TakeChargeVA.com or the State of Virginia has a website dedicated to energy efficiency at VirginiaEnergySense.org.

Best Regards,

Gim Favait

Jim Fawcett

Manager, Energy Efficiency