



BOUNDLESS ENERGY™

Legal Department

American Electric Power
1051 E Cary Street, Suite 1100
Richmond, Virginia 23219
AEP.com

June 30, 2017

Noelle J. Coates
Senior Counsel - Regulatory
Services
(804) 698-5541 (P)
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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,

A handwritten signature in blue ink, appearing to read "Noelle J. Coates", written over the typed name.

Noelle J. Coates

Enclosure



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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.

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Sincerely,

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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.

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Sincerely,

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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,

A handwritten signature in blue ink, appearing to read "Coates", written over the printed name "Noelle J. Coates".

Noelle J. Coates

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The Honorable Frank W. Wagner
Senate of Virginia
Chairman, 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,

A handwritten signature in blue ink, appearing to read "Noelle J. Coates", written over a blue circular stamp or seal.

Noelle J. Coates

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June 30, 2017

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(804) 698-5541 (P)
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njcoates@aep.com

The Honorable Terry G. Kilgore
Virginia House of Delegates
Chairman, Commerce and Labor Committee
P. O. Box 669
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,

A handwritten signature in blue ink that reads "Coates".

Noelle J. Coates

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Veteran Energy Pilot Program

Appalachian Power Company (Appalachian Power or the Company) is entering into its third year of implementing the Veteran Energy Pilot Program. 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 date fund allocations are just over the halfway point, awarding 100 grants totaling \$50,000. To access the \$500 energy voucher, Virginia Veterans & Family Support or TAP completes the application for new electric service on behalf 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.

On Veteran's Day 2015, Governor McAuliffe announced that Virginia was the first state to functionally end veteran homelessness by meeting the federal benchmarks created by the US Department of Housing and Urban Development and the US Department of Veterans Affairs. Appalachian Power is honored to implement the Veteran Energy Pilot Program in the Virginia service area and play a role in the Commonwealth's initiative to provide housing for all homeless veterans.

The following table provides statistics of the program for this reporting period, June 1, 2016 through May 31, 2017. The table also reports year-to-date total program funding / participation.

Appalachian Power – VA		6/1/2016 – 5/31/2017	
Monthly Participation			
Month	Applications	Grants	Amount Granted
June 2016	10	10	\$5,000.00
July 2016	4	4	\$2,000.00
August 2016	4	4	\$2,000.00
September 2016	3	3	\$1,500.00
October 2016	10	9	\$4,500.00
November 2016	7	7	\$3,500.00
December 2016	6	6	\$3,000.00
January 2017	6	6	\$3,000.00
February 2017	8	8	\$4,000.00
March 2017	6	6	\$3,000.00
April 2017	4	4	\$2,000.00
May 2017	3	3	\$1,500.00
Total	71	70	\$35,000.00
Total Program Participation			
Month	Applications	Grants	Amount Granted
October 2015 – May 2017	102	100	\$50,000.00
Total Program County Participation			
County	Applications	Grants	Amount Granted
City of Lynchburg	5	5	\$2,500.00
City of Martinsville	1	0	\$0
Montgomery	1	0	\$0
City of Radford	1	1	\$500.00
City of Roanoke	92	92	\$46,000.00
City of Salem	1	1	\$500.00
City of Staunton	1	1	\$500.00
Total	102	100	\$50,000.00

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 meeting 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 an equivalent incandescent light bulb and can last 10-30 times longer.

At the time of this report, all upgrades have been performed. The Company plans to evaluate the impact of the upgrades and determine 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 bill 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. The mailing 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.

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, over 5,500 customers have responded to the initial mailing and received kits. The Company anticipates fulfilling the remaining 500 kits and spending the rest of the funds in the near future and plans to evaluate the results of the pilot to determine overall effectiveness and customer satisfaction.