

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

July 1, 2019

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

Dear Commissioner Christie:

Please find enclosed, as required by Section 56-585.1:2 of the Code of Virginia, 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 questions.

Sincerely

Noelle I. Coates



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

Dear Commissioner Jagdmann:

Please find enclosed, as required by Section 56-585.1:2 of the Code of Virginia, 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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Noelle J. Coates Senior Counsel - Regulatory Services (804) 698-5541 (P) (804) 698-5526 (F) njcoates@aep.com The Honorable Patricia L. West Office of the Commissioners State Corporation Commission Tyler Building 1300 East Main Street Richmond, Virginia 23219

Dear Commissioner West:

Please find enclosed, as required by Section 56-585.1:2 of the Code of Virginia, 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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Noelle J. Coates Senior Counsel - Regulatory Services (804) 698-5541 (P) (804) 698-5526 (F) njcoates@aep.com Governor Ralph S. Northam Commonwealth of Virginia P.O. Box 1475 Richmond, VA 23218

Dear Governor Northam:

Please find enclosed, as required by Section 56-585.1:2 of the Code of Virginia, 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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Noelle J. Coates Senior Counsel - Regulatory Services (804) 698-5541 (P) (804) 698-5526 (F) njcoates@aep.com The Honorable Terry G. Kilgore Chairman, Commerce and Labor Committee Virginia House of Delegates P. O. Box 669 Gate City, VA 24251

Dear Delegate Kilgore:

Please find enclosed, as required by Section 56-585.1:2 of the Code of Virginia, 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 questions.

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

Dear Senator Wagner:

Please find enclosed, as required by Section 56-585.1:2 of the Code of Virginia, 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 questions.

Sincerely

Joelle J. Coates

Veteran Energy Voucher Pilot Program

Appalachian Power Company (Appalachian Power or the Company) first implemented the Veteran Energy Voucher Pilot Program in October 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 was 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 initially allocated \$100,000 to the program: \$91,750 for funding of grants and \$8,250 for operating fees to Dollar Energy. Since the beginning of the pilot program through May 31, 2019, the Company has provided 186 energy vouchers to homeless veterans totaling \$93,000. 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.

Under the provisions of Senate Bill 966 of the 2018 General Assembly, the Company will continue the Veteran Energy Voucher Pilot Program. Consequently Appalachian Power and Dollar Energy have entered into an agreement that will allow the pilot program to continue through 2022, subject to contract renewals through July 1, 2028, if deemed appropriate.

The following table provides statistics of the program for this reporting period, June 1, 2018 through May 31, 2019. The table also reports year-to-date total program funding / participation.

Appalachian Power – VA			6/1/2018 - 5/31/2019		
Monthly Participation					
Month	Applications	Grants	Amount Granted		
June 2018	1	1	\$500.00		
July 2018	1	1	\$500.00		
August 2018	1	1	\$500.0		
September 2018	3	3	\$1,500.00		
October 2018	5	5	\$2,500.0		
November 2018	3	3	\$1,500.0		
December 2018	4	4	\$2,000.0		
January 2019	5	5	\$2,500.0		
February 2019	5	5	\$2,500.0		
March 2019	3	3	\$1,500.0		
April 2019	3	3	\$1,500.0		
May 2019	3	3	\$1,500.0		
Total	37	37	\$18,500.0		
Total Program Participation					
Month	Applications	Grants	Amount Granted		
October 2015 – May 2019	188	186	\$93,000.0		
Total Program Participation By Localities					
County	Applications	Grants	Amount Granted		
Amherst	1	1	\$500.00		
City of Lynchburg	14	14	\$7,000.00		
City of Martinsville	1	0	\$1		
Montgomery	2	1	\$500.0		
City of Radford	2	2	\$1,000.0		
City of Roanoke	162	162	\$81,000.0		
Roanoke	4	4	\$2,000.0		
City of Salem	1	1	\$500.0		

City of Staunton	1	1	\$500.00
Total	151	149	\$93,000.00

Multi-Family Residential Energy Efficiency Pilot

The goal of the Multi-Family 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 multi-family pilot in the Company's service territory. The selected property, Old Orchard Place, is a 30-unit apartment complex located in Pearisburg. 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, and determined that the best approach to maximize the energy efficiency of the units would be to replace all heat pumps; replace seven refrigerators; install low-flow aerators on all kitchen and bathroom fixtures; and install new light emitting diode (LED) lighting in all units.

After evaluating the results of the Multi-Family Residential Energy Efficiency Pilot program, the Company has determined it would be beneficial to move this program from the pilot stage to a longer-term energy efficiency program. The Company will propose such a program in its 2019 Energy Efficiency Rate Adjustment Clause (EE-RAC) filing for the Virginia State Corporation Commission's consideration.

Energy Efficiency Education Pilot

The Energy Efficiency Education Pilot, which was required by Subsection H of Senate Bill 1349 (2015 Va. Acts c. 6), identified Appalachian Power customers who received financial assistance paying their electric bill through different agencies. The program provided mailings directly to these customers with information regarding measures they can take to save energy and reduce electric bills. The mailing contained information regarding programs offered by the Company as well as by weatherization providers in the service territory to assist customers with energy conservation. Additionally, the mailing included 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 is 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 included:

- 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 customers to receive the energy conservation kit, they were required to mail back the prepaid information card or call a toll-free number dedicated to the program.

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

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

All energy conservation kits included in this initial pilot program offering have now been provided to qualifying customers. However, under the provisions of Senate Bill 966 of the 2018 General Assembly, the Company will continue the Energy Efficiency Education Pilot Program in the Virginia service area. Appalachian Power and Dollar Energy have entered into an agreement that will allow the program to continue through 2022, subject to contract renewables through July 1, 2028, if deemed appropriate.