



**DEPARTMENT OF THE ARMY**  
ASSISTANT SECRETARY OF THE ARMY  
(INSTALLATIONS AND ENVIRONMENT)  
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WASHINGTON, DC 20310-0110

**MAR 27 2007**

**MEMORANDUM FOR SEE DISTRIBUTION**

**SUBJECT: Army Residential Communities Initiative (RCI) Utility Policy**

1. The purpose of this memorandum is to provide an update to the policies and implementing guidelines regarding responsibility for utility consumption for residents of privatized housing under the Residential Communities Initiative (RCI) program. This policy supercedes the utility policy memorandum provided by this office on May 5, 2004, subject as above.

2. Residents will be responsible for their utility consumption. They will be rewarded for energy conservation and responsible for consumption above the established Utility Baseline. Specific guidance follows:

- All RCI sites will comply with the RCI utility policies outlined in this memorandum.
- All new and renovated houses as a minimum will be metered for electricity, gas, and/or heating oil at the time of construction or renovation. All housing will be metered by the end of the project's initial development period.
- A Utility Baseline will be identified for each home based on the average usage and cost of utilities for comparable homes in the on-post housing areas. The Utility Baseline establishes what a normal family would use in terms of energy consumption and defines what amount of the tenant's rent will be used to pay for each resident's gas, electric and/or heating oil costs.
- The Managing Member of the Partnership will administer the resident utility program. A third party provider may be hired to read meters and administer the billing process.
- Projects will implement the RCI utility program as soon as practicable and will not wait for the entire housing inventory at their installations to be metered.
- The RCI projects/partnerships will continue to pay for utilities for designated common areas and vacant houses.

3. The rationale for these policies and implementing instructions is to: (1) comply with the OSD utility policy, (2) provide an incentive to residents to conserve energy, and (3) provide an incentive to the partnership to build/renovate houses using energy efficient methods, materials and systems. Additional implementation guidance is attached.

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4. Requests for exception to these policies with full justification must be submitted to this office, OASA (I&E) – attention SAIE-RCI, for consideration. The point of contact for this action is Mr. Ivan Bolden, RCI Program Office, Commercial (703) 601-2481 or DSN 329-2481.



**Keith E. Eastin  
Assistant Secretary of the Army  
(Installations and Environment)**

**Attachment**

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**RCI Installations**

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## RCI Utility Policy Implementation Guidance

1. **General**. The Army's utility policy is based on the OSD policy to provide incentives to residents to conserve energy. The partnerships between the Army and private developers support this effort by providing incentives to occupants of privatized housing to decrease utility consumption and save energy.

2. **Background**. The Army's original RCI utility policy had the project and partnership responsible for all utilities. However, in early 2001, OSD (with Congressional support) required the Army to work with the partnerships to develop procedures to hold residents of privatized housing responsible for their utilities.

### **3. Policies/Implementing Guidance**

#### a. Definitions.

(1) **Utility Baseline**. The Utility Baseline is a portion of the resident's monthly rent that is established by the partnership to be used to pay for normal consumption of electric, gas, and/or heating oil. The Utility Baseline is a reasonable average of the cost of gas, electricity and/or heating oil for a particular home.

(2) **Utility Buffer**. The Utility Buffer is a maximum of 5% above the average Utility Baseline and provided to residents to ease transition into this program. A decision to use a Utility Buffer is at the discretion of each partnership and the RCI partner will establish the buffer level.

#### b. Utility Baseline Determination.

(1) The Utility Baseline is computed by the partnership, based on the average utility usage for a given month for specific types of homes, multiplied by the applicable utility rate charged to the project.

(2) The Utility Baseline will be published for residents on their monthly statements based on the applicable rate charged by the utility provider.

(3) Adjustments to the Utility Baseline may be made by the partnership for special category homes. These adjustments will be coordinated with ASA (I&E) - RCI prior to implementation.

c. Metering of Homes.

(1) All new and renovated houses will be metered for gas, electricity and/or heating oil during construction or renovation. The cost of metering will be borne by the project.

(2) All units will be metered or will have an application of measurement for utilities by the end of the project's initial development period. Provisions to meter will be specified in the project's CDMP and business agreements.

d. Billing Procedures.

(1) Billing procedures will include meter reading, posting of consumption and cost data for each home, billing/debit for cost in excess of the Utility Baseline and rebates/credits for conservation efforts resulting in usage below the Baseline.

- Meters will be read at least once per month.
- Monthly statements will be mailed to residents and electronic access to consumption data will be provided if feasible.
- Residents will receive a credit if consumption is below the Utility Baseline or owe a debit if consumption is above the Utility Baseline. A bill will be issued to the resident once the outstanding balance due is greater than fifteen dollars (\$15). Rebates will be issued to the resident once the energy conservation savings is greater than fifteen dollars (\$15). If the bill or rebate is less than \$15 the amount will carry over to the next month.
- The utility account will be settled when the resident moves out.

(2) Utility billing will go into effect once a statistically sufficient number of homes are metered and an average Utility Baseline for the specific home type has been established. Upon completion of the mock billing period, projects will begin actual billing of homes which received mock bills. The mock billing period applies only to the first homes of a product type. As the same product type is brought on-line, actual billing of these homes can begin immediately.

(3) Additional charges may include: (1) administration fee, (2) late fee, and (3) non-sufficient funds fee for returned checks, as allowable by law.

(4) A dispute resolution procedure will be provided for residents.

e. Resident and Partnership Responsibilities.

(1) Residents will be responsible for electricity, gas, and/or heating oil costs in their housing as applicable. Requests to include water/sewer responsibility require full justification submitted to the ASA (I&E) – RCI office for consideration.

(2) The project will be responsible for all other utilities, including utilities for common areas and vacant houses. The CDMP and other project documents/agreements should outline the specifics of the RCI utility program.

f. Special Category Housing (e.g., oversized, historical, special medical requirements, etc.). The partnership will determine the applicability of this policy based on the size and construction of homes in the project.

g. Reporting: All sites will report the status of metering, implementation, exceptions, etc., annually to ASA (I&E) - RCI.