Our Service Territories

Con Edison of New York (Con Edison)
Orange and Rockland (O&R)

- 3.6 million electric customers
- 1.2 million gas customers
- 1,600 steam customers
Need for Smart Solutions

- Peak demand is growing quickly
  - 30% growth in demand since 2011
  - Expect 20% growth in next 20 years
- Additional supplies are needed to meet future gas peak demand
- We sought non-pipeline solutions to meet several goals:
  - Continue environmental progress
  - Identify alternatives to new gas pipeline
  - Reduce use of short-term, delivered natural gas services
Smart Solutions for Natural Gas Customers

• Solution 1: Enhanced Gas Energy Efficiency Program
  – Implementation Plan – filed March 2018

• Solution 2: Gas Demand Response Program
  – Implementation Plan (Pilot) – filed April 2018

• Solution 3: Gas Innovation Program
  – RFP - second quarter 2018

• Solution 4: Market Solicitation for Non-Pipeline Solutions
  – RFP – released December 15, 2017; responses received March 1, 2018

• Solution 5: Parallel Planning for Traditional Pipeline Solution

Read Con Edison’s Smart Solutions for Natural Gas Customers filings:
Non-Pipeline Solutions RFP
Overview

• RFP Issued December 15, 2017
  – Invited peak demand reduction and local gas supply proposals providing:
    • Constraint relief in Lower Westchester, Bronx
    • Enforceable 5+ year commitments (3+ for DR)
  – Modeled on Con Ed’s Non-Wires process
  – Goal: >100,000 Dth/Day of relief by 2023-24
  – Expected Budget: >$100 million per year

• Received 28 proposals on March 1, 2018
  – Includes demand and supply-side measures
  – Evaluation criteria include benefits and costs, project risk, and community impacts
  – Expect to file budget request later this year
Non-Pipeline Solutions RFP

Key Elements

• Major parameters
  – Proposals must utilize commercially-proven technologies
  – Demand-side measures cannot involve switching to oil or propane
  – Supply-side measures must be directly connected to Con Edison’s gas system
  – RFP excluded use of pipelines or LNG shipping terminals

• Functional requirements:
  – Net reduction in peak day load or increase in local supply over 24 hours
  – Availability on the 5 coldest days of each winter (incl. at least 3 consecutive days)
  – Minimum proposal size of 25 Dt/day, with more than 250 Dt/day preferred
Non-Pipeline Solutions RFP
Responses

• Summary
  – Numerous strong demand-side and supply-side proposals received
  – Most of proposed relief is supply-side, esp. CNG/LNG deliveries by truck

• Demand-Side (16 proposals)
  – Includes energy efficiency, demand response, air and ground-source heat pumps
  – Customer segments include large and small residential, low-income, government agencies, and large and small commercial/industrial
  – Would substantially grow Con Edison’s demand-side programs

• Supply-Side (12 proposals)
  – Proposals include CNG/LNG trucking, LNG liquefaction/storage, and biogas
  – Significant siting and permitting hurdles in many cases
Non-Pipeline Solutions RFP
Cost Recovery

Awaiting NY PSC approval of cost recovery and incentive mechanisms:

• Non-traditional solution investments deferred as regulatory assets – i.e., recovered over a 10-year period with carrying charges applied

• Any net savings realized under the Non-Pipeline Solutions RFP would be shared 30%/70% by Con Edison and its customers

• Pipeline development costs (cancellation or project termination fees) recoverable through existing monthly surcharge mechanism
For More Information …

Visit Con Edison’s Non-Pipeline Solutions Webpage: