

**OIL HEATING TO GAS HEATING CONVERSION
INCENTIVE PROGRAMS**

The following is a description of the Oil Heating to Gas Heating Conversion Incentive Programs currently available from Con Edison to qualified Applicants for gas service, including the eligibility criteria for, and various key terms and conditions of, each Incentive Program (referred to together as “Incentive Programs” or “Programs” and individually as “Incentive Program” or “Program”). Con Edison will make a final determination of eligibility based upon the application for service and, if necessary, a field inspection of the Applicant’s premises.

Application Procedure

An Applicant who is interested in one or more of these Incentive Programs should contact Con Edison at gasconversions@coned.com or at the following address or telephone number:

Con Edison
Gas Expansion Operations
Business Response Center
4 Irving Place, 7th Floor Room 747-S
New York, New York 10003
1-800-643-1289

Availability

The amount of available funds for the Incentive Programs is \$1,465,000 annually. Con Edison, at its sole discretion, may modify the overall funding or modify the amount of the incentives for any of these Programs or terminate the availability of any of the Incentive Programs at any time. Upon modification or termination, Con Edison will amend this Appendix to address any such modification or termination.

General Eligibility for Incentive Programs

An Applicant for any of the following four (4) oil to gas conversion Incentive Programs in Con Edison's gas service territory must be in good credit standing on all of its existing Con Edison accounts or, if not currently a Customer, otherwise demonstrate its creditworthiness. If the Service Classification (SC), under which the Applicant is taking service, is terminated or otherwise becomes unavailable during the term of the Applicant’s agreement, the Applicant will be transferred to another SC for which Applicant is eligible. Gas service for all of the Incentive Programs is available through gas transportation service or bundled gas sales service and participation in any one of the Programs will not preclude an Applicant from thereafter switching services in accordance with any retail access program requirements. If an application is accepted by Con Edison, the Applicant will be required to sign a rebate application and/or a contract with Con Edison that will specify the Applicant’s responsibilities under the applicable Incentive Program.

Program #1- The Residential Gas Conversion Incentive Program
(1 to 4 Dwelling Units)

Purpose

The Residential Gas Conversion Incentive Program is designed to stimulate oil heating to firm gas heating conversions in the 1–4 family dwelling market. Under this Program, the incentives that Con Edison may offer include: (i) a check (payable to the Applicant) or other cash equivalent, (ii) free heating or hot water equipment or (iii) another incentive or combination of incentives available at the time of Applicant’s

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application to Con Edison. The Applicant must agree to use firm natural gas service to meet its energy requirements for space heating.

Eligibility – an Applicant must meet all of the following:

- The Applicant must be the owner of record of the dwelling unit/s;
- An existing 1 – 4 family residential dwelling must at the time of application be using oil as its primary source of home heating fuel;
- The Applicant must agree to take firm gas service for the dwelling unit/s entire space heating requirements for a period of at least five (5) years and the premises must have an existing gas service that is adequate to handle the additional gas heating load, except when Con Edison is in the process of replacing a gas main in the Applicant's vicinity as noted below in Program Description;
- The Applicant must agree to install eligible gas heating equipment, as defined in the Company's conversion rebate application at that time, to meet the entire space heating requirements of its residential dwelling;
- Gas service must be provided under an account in the name of the landlord/owner. If there is an existing account in the name of the landlord for water heating for the building, the additional service will be metered on the existing meter;
- If any applicable law or regulation of a governmental authority prohibits the addition of a meter at the premises when such a meter is required for this Program, the Applicant will be deemed ineligible for this Program; and
- The Applicant must agree to decommission its existing oil storage tank in accordance with all applicable laws and regulations covering same.

Program Description

- Eligible homeowners will receive an incentive(s) upon commencement of gas service to the Applicant's gas-burning equipment as described below.
- Incentives may include (i) a check (payable to the Applicant) or other cash equivalent, (ii) free heating or hot water equipment, or (iii) any other incentive or combination thereof, based on the specific offerings being made by Con Edison during any promotional period. Applicant may not assign any of the Program incentives to a third party (including its contractor).
- Con Edison may, from time to time, change the number or value of incentives available during a promotion period, but at no time will the value of the offerings to all Applicants exceed a program average of \$2,500 per Applicant.
 - As part of the \$2,500 program average per Applicant, if Con Edison is undertaking a gas main replacement project in the vicinity of an Applicant, the Company may offer an Applicant a rebate of \$500 regardless of whether Applicant's service is adequate to handle its additional gas load or not.
- Notification to potential Applicants (the owners of record of 1 – 4 family residences with an existing gas service) of the Program will be by mail, email, fax, or other means. Interested customers can respond by calling 1-800-643-1289 or by emailing Con Edison at gasconversions@coned.com.
- Con Edison may conduct a field inspection of Applicant's dwelling in order to determine the Applicant's eligibility for the Program.
- Con Edison will perform a final inspection before connection of the gas service and will be available to address any of Applicant's questions.

Program #2- The Multi-Dwelling Gas Conversion Incentive Program
(5-100 Dwelling Units)

Purpose

The Multi-Dwelling Gas Conversion Incentive Program is designed to stimulate oil to firm gas heating conversions in residential multi-dwellings with five (5) to one hundred (100) dwelling units. Under this Program, the incentives that Con Edison may offer include: (i) a check (payable to the Applicant) or other cash equivalent, (ii) payment for the cost of installation of a new natural gas-fired boiler or furnace, or (iii) another incentive or combination of incentives available at the time of Applicant's application to Con Edison, in return for Applicant's agreement to use firm natural gas service to meet its entire energy requirements for space heating service.

Eligibility – an Applicant must meet all of the following:

- The Applicant must be the building owner of record;
- An existing residential multi-family building of five (5) to one hundred (100) dwelling units using oil as its current source of space heating fuel for the twelve months preceding the application for gas service;
- The Applicant must agree to take firm gas service for the building's entire space heating requirements for a period of at least five (5) years; and the building must have an existing gas service that is adequate to handle the additional gas heating load. However, in an effort to further support carbon-reduction environmental goals and targets of New York City and/or Westchester County and New York State, the Company may waive the requirement that the Applicant's existing gas service be adequate to handle the additional gas load, if the Applicant proves to the Company that its building uses either #6 oil or #4 oil as its current source of space heating fuel for the twelve months preceding the application for gas service;
- The Applicant must agree to install eligible gas-only heating equipment, as defined in the Company's conversion rebate application at that time, to meet the entire space heating requirements of the residential building, along with any commercial space commonly-heated by the heating system to be converted;
- Gas Service must be provided under an account in the name of the Applicant. If there is an existing account in the name of the Applicant for water heating purposes for the building, the additional space heating service will be metered on the existing meter. If there is an existing account in the name of the Applicant for redistribution of gas to the building's tenants, a new meter must be installed and an additional account in the Applicant's name must be opened for the space heating service; and
- The Applicant must agree to decommission the existing oil storage tank in accordance with all applicable laws and regulations covering same.

Program Description

- If the equipment to be installed is a new natural gas-fired boiler or furnace, eligible Applicants may receive one of the following incentives: (i) a check (payable to the Applicant) or other cash equivalent in an amount not to exceed \$500 per dwelling unit or up to a total amount of \$50,000 for all dwelling units in the building, (ii) payment for the cost of installation of a new natural gas-fired boiler or furnace (but whichever is less between these first two incentives); or (iii) any other incentive or combination thereof based on the specific offerings being made by Con Edison during any promotional period.
- Con Edison may, from time to time, change the number or value of incentives available during a promotion period, but at no time will the value of the offerings to any Applicant exceed the maximum amount of \$500 per dwelling unit up to 100 dwelling units.
- The Applicant may not assign any of the Program incentives to a third party (including its contractor).
- Notification to potential Applicants of the Program will be by mail, email, fax, or other means.

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- Interested customers can respond by calling 1-800-643-1289 or by emailing Con Edison at gasconversions@coned.com.
- Con Edison may conduct a field inspection of Applicant's building in order to determine Applicant's eligibility for the Program.
- Con Edison will perform a final inspection before connection of the gas service and will be available to address any of Applicant's questions.

Program #3- The Customized Gas Incentive Program

Purpose

The Customized Gas Incentive Program is designed to meet Applicants' specific needs associated with the installation of gas-heating equipment that either replaces oil-heating equipment or increases Applicant's gas heat-burning capability. Under this Program, the incentives that Con Edison may offer include: (i) a check (payable to the Applicant) or other cash equivalent (this incentive is available only to firm Applicants), (ii) a reduction to an Applicant's cost responsibilities associated with required additional gas facilities (this incentive is available only to interruptible Applicants), (iii) financing or leases, (iv) project management or (v) another incentive or combination of incentives available at the time of Applicant's application to Con Edison in order to defray a portion of Applicant's conversion or installation costs, each in return for Applicant's commitment to use an agreed-upon level of gas for an agreed-upon term. However, any such incentive to an Applicant shall not exceed the Applicant's cost of converting or installing the necessary additional gas facilities. An Applicant who meets Program #2's eligibility requirements is not eligible for Program #3.

Eligibility: An Applicant must meet all of the following:

- The Applicant must be the building owner of record;
- The Applicant's building must be using oil as its primary space heating energy source for the twelve months immediately preceding the application for service;
- The Applicant must agree to install eligible gas heating equipment, as defined by the Company's conversion rebate application at that time, to meet the entire space heating requirements of its building;
- The Applicant may be required to demonstrate, to Con Edison's satisfaction, that it would not otherwise elect gas service, absent one or more of the incentives offered under this Program;
- The Applicant must meet the revenue test(s), where applicable, as explained below under Program Description;
- The minimum new or incremental gas usage requirement for firm service program eligibility is 4,000 therms annually;
- The minimum new or incremental gas usage requirement for interruptible service program eligibility is 8,000 therms annually;
- The Applicant under this Program may be required to pass a credit check in order to evaluate its ability to perform its obligations under this Program;
- Con Edison may require an Applicant applying for incentives under this Program to submit audited financial statements for the prior two tax years and to provide acceptable financial security; and
- An Applicant applying for interruptible gas service under this Program will be required to maintain fuel oil reserves (including on-site fuel storage) capable of supplying the entire requirements of the gas equipment (except for air-conditioning equipment), otherwise supplied directly or indirectly by gas, as more fully described in Con Edison's Schedule for Gas Service ("Gas Tariff"), in addition to complying with all of the Company's other requirements for interruptible service.

Program Description

- Con Edison will consider the following factors, among other relevant ones, when determining whether to offer an Applicant a check (payable to the Applicant) or other cash equivalent or a non-cash incentive: (i) an Applicant's gas usage commitment, (ii) Con Edison's costs associated with providing new or additional gas service to the Applicant, and (iii) the projected net revenue for Con Edison from the proposed conversion/installation.
- At Con Edison's request, an Applicant's contractor will provide Con Edison with a written cost estimate of the work to be performed by the contractor on behalf of the Applicant.
- An Applicant must sign a service contract with Con Edison obligating the Applicant to use gas, including a minimum gas consumption quantity and a deficiency charge for any shortfall in meeting that minimum consumption amount. The deficiency charge will be equal to the product of (i) the shortfall, measured in therms, and (ii) the applicable transportation rate as set forth in the service contract.
- If Con Edison reduces an Applicant's responsibility for payment of the costs of required additional facilities that Applicant would normally be required to pay as an interruptible Applicant, Con Edison's service contract will obligate Applicant to utilize enough gas and provide required net revenues to satisfy a simple pay-back period of no more than three (3) years. Required additional facilities' costs may include, but are not limited to, costs for the provision and installation of any metering and communication equipment, any costs related to main extensions or reinforcements, service pipes and service connections, and the costs of any other facilities in Con Edison's franchise area necessary to render service to Applicant.
- A check (payable to the Applicant) or other cash equivalent shall not exceed the Applicant's cost of converting or installing the necessary additional facilities. In addition, where Con Edison is providing a check (or other cash equivalent, the service contract will obligate Applicant to utilize enough gas and provide required net revenues to satisfy a simple pay-back period to be determined by Con Edison, but in no case shall such payback be more than five (5) years. Con Edison will evaluate all similarly-situated Applicants in the same manner.
- An Applicant must commence the new or increased gas service usage within six (6) months of full execution of the service contract. If an Applicant does not commence the new or increased gas service usage within six (6) months of full execution of the service contract (unless the Applicant's inability to commence the new or increased gas usage, within the six-month period, was due solely to delays by Con Edison), Con Edison may terminate the service contract (and Applicant's eligibility for any incentive). If, however, Con Edison (a) receives a work request form from Applicant or Applicant's contractor within 45 days of full execution of the service contract and (b) Applicant or Applicant's contractor has installed a gas sleeve within 90 days of full execution of the service contract, Applicant may request an extension of the 6 month start-up period described above, but the request must be in writing and be received by Con Edison at least one (1) month prior to the service contract's expiration date in order to be considered by Con Edison. The six-month start-up period may only be extended with Con Edison's written consent; and Con Edison's consent may not be granted if the Applicant has not demonstrated, to Con Edison, reasonable progress on its gas heating conversion.
- Applicants who will be receiving checks or other cash equivalents must provide Con Edison, prior to receipt of such incentives, with such financial guarantees as Con Edison reasonably determines are necessary in order to assure satisfaction of the Applicant's obligations and payments under this Program. Any payment of a check or other cash equivalent will be paid directly to the Applicant upon commencement of gas service to the new gas-fired equipment. Applicant may not assign any of the program incentives to a third party (including its contractor).
- Con Edison may conduct a field inspection of Applicant's building in order to determine Applicant's eligibility for the Program.
- Con Edison will perform a final inspection before connection of the gas service and will be available to address any of Applicant's questions.

Program #4- The Contractor Referral Conversion Incentive Program
(1-4 & 5-75 Dwelling Units)

Purpose

Con Edison may, from time to time, offer a Contractor Referral Conversion Incentive Program (a/k/a the "Trade Ally Program") which would be designed to stimulate Customer participation in Con Edison's Oil Heating to Gas Heating Conversion Incentive Programs (and supports Programs #1 and #2 above). Under this Program, if a residential Applicant, who is interested in converting to gas heating, requests Con Edison's assistance in finding a contractor, Con Edison would provide the Applicant with the names of at least two (2) contractors to perform the conversion. The Program would be open to licensed plumbers and HVAC contractors, who: (i) complete Con Edison's geographic Zone Survey Form to indicate the zones in which they wish to participate, (ii) provide Con Edison with a copy of their applicable license to perform the conversion and (iii) pay a fee (as determined by Con Edison) of no more than \$500.00 to Con Edison for each geographic zone in which they wish to participate. The purpose of the fee is to defray Con Edison's costs and expenses in administering this Program, including, but not limited to, mailings, periodic meetings, training and incentive programs for the participating licensed plumbers and HVAC contractors. Con Edison, at its sole discretion, will determine annually whether it will offer the Trade Ally Program and the number of participants that would be allowed to participate in the Program both for a specific zone and overall in its gas service territory.

Eligibility

- 1) **A Contractor must meet or do ALL of the following to apply for Program participation:**
 - Contractors working within New York City ("NYC") must have a valid NYC plumbing license.
 - Contractors working in Westchester County must have a valid countywide plumbing license or a plumbing license valid in at least three Westchester municipalities.
 - The Contractor must (i) submit all of the information requested by Con Edison, including the Zone Survey Form, (ii) provide a copy of its applicable Contractor's license and (iii) provide the required fee amount by a check, payable to "Consolidated Edison Company of New York, Inc.," for each geographic zone in which it wishes to participate.

- 2) **A Contractor selected for Program participation must meet ALL of the following to remain in good standing within the Program:**
 - The Contractor must install gas-only heating equipment to meet the entire space heating requirements of the residential dwelling or building, previously heated by oil.
 - The Contractor must pursue all leads referred to it by Con Edison in the geographic zones that Contractor has selected. The Contractor also must call the Applicant within two (2) business days of receiving the lead and offer an appointment time and date to the Customer within three (3) business days of calling the Customer.
 - The Contractor must complete the gas conversion within ten (10) business days after the start of the installation, and must do so in conformance with all industry standards and federal, state and local codes & regulations and Con Edison specifications.
 - The Contractor must ensure that the Applicant complies with all applicable laws, codes and regulations related to its oil to gas conversion.
 - The Contractor may be required to process program documents for the Customer, if applicable, such as financing and warranty applications and forward to Con Edison a copy of each Applicant's accepted offer and final bill.