



REV Demonstration Project:
Community Power

Q4 2020 Quarterly Progress Report

Dated: February 1, 2021

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1.0 EXECUTIVE SUMMARY

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) submits this fourth quarterly report for 2020 on the progress of the Community Power REV Demonstration Project (the “Project”) implemented as part of the Reforming the Energy Vision (“REV”) proceeding, as required by the *Order Adopting Regulatory Policy Framework and Implementation Plan*, issued by the New York State Public Service Commission (“Commission”) on February 26, 2015.¹ Budget information is being filed confidentially with the Commission.

1.1. Project Background

The Project was proposed on September 24, 2018, assessed by the Department of Public Service Staff (“DPS Staff”), approved on October 16, 2018, and its implementation plan was filed with the Commission on April 23, 2019.

The Project is designed to examine a new self-sustainable model for increasing the access of low- and moderate-income (“LMI”) customers to distributed energy resources (“DER”), such as solar-powered generation. The Company has reevaluated the original project design in light of the Commission’s *Order Regarding Consolidated Billing for Community Distributed Generation* (“Order”).² The Net Crediting mechanism³ authorized within the Order minimized the value of several of the original hypotheses. The Project has since been revamped to examine smart inverter performance at various settings, to test effective marketing of Community Distributed Generation (“CDG”) to LMI customers, and to model the feasibility of increasing access to DERs within the LMI customer segment. Specifically, the Project aims to increase overall usage of smart inverter functionality, which is low despite high penetration of smart inverters, while demonstrating a scalable model for LMI CDG.

The Project will continue to be structured so that LMI participants receive bill credits from the solar produced by the Project’s solar arrays at a discount. Since participants

¹ Case 14-M-0101, *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision*, Order Adopting Regulatory Policy Framework and Implementation Plan (issued February 26, 2015).

² Case 19-M-0463, *In the Matter of Consolidated Billing for Distributed Energy Resources*, Order Regarding Consolidated Billing for Community Distributed Generation (issued and effective December 12, 2019).

³ CECONY Net Crediting Plan, Case 19-M-0463, *In the Matter of Consolidated Billing for Distributed Energy Resources* (filed February 12, 2020).

pay a subscription fee at the end of the month that is less than the projected solar energy bill credit they receive from the Project at the beginning of the month, participants will likely receive a net savings on their bill pursuant to the net crediting authorized in the Order. Participants are not required to pay any upfront or additional fees to participate in the Project.

COVID-19 Impact

All project partners and their staff have been working remotely since Q2 2020. Planned in-person workforce training and outreach activities were migrated to online formats. Accord Power implemented new site safety plans and procedures for solar panel construction in Q4 2020. Con Edison and Solar One do not anticipate other COVID-19 related scheduling delays at this time.

Project Goals

Community Power is expected to provide:

- A process for recommending smart inverter setting to future developers of similar CDG projects;
- A power flow model baseline that includes improved assumptions;
- Monthly energy savings – the expected energy savings per participant may vary but could total approximately \$78 annually (or \$6.36 per month) if the Project proves successful;⁴
- A sustained number of LMI customers subscribers – 350 and 50 waitlisted – with a 20% customer conversion rate;
- 1,416,000 kWh of clean energy and a reduction of 1,727,520 lbs. of CO² equivalent in greenhouse gas emissions per year;
- Access to and indirect ownership of DERs for LMI residents, which will increase participating customers' ability to manage energy costs;

⁴ Throughout the 25-year life of the solar assets the estimated savings is \$667,352 for participating LMI customers, depending on individual participant monthly energy usage. Key assumptions underlying this figure when the Project was initially filed are: A 25-year asset life, system size (kW-DC) 1,180, production factor (kWh/kW-DC) 1,180, Annual PV Degradation Rate .50 percent, Con Edison VDER annual rate escalation 1.5 percent, Year One SC1 VDER (\$/kWh) \$0.2022, and a solar subscription rate of \$0.172.

- Paid solar apprenticeships and job placement support for up to 15 to 30 low-income New Yorkers; and
- Improve customer energy literacy, perception of, trust in, and satisfaction with Con Edison;

Con Edison is executing the Project with a team of partners. The partners and their respective roles are listed below.

Roles and Responsibilities

Project Partners	Roles
Con Edison Investor-owned utility	Project Sponsor, Oversight and Guidance, Financing for Program Costs, Funding to cover any loss resulting from reconfiguring of inverter setting, to ensure the success of the Project, and to support Capital costs if needed.
Solar One Environmental nonprofit	Team Lead, Solar Strategy, and Training
WE ACT Environmental justice nonprofit	Community Engagement and Enrollment, LMI Customer Strategy
BMC Brooklyn Movement Center	Community Engagement and Enrollment, LMI Customer Strategy
Green City Force Environmental training and service program	Workforce Recruitment and Training
Co-op Power/Resonant Energy Community energy cooperative	Solar Development, Operation, and Ownership, Delivery of Tax Equity Investment
Sunwealth Power, Inc. Social and environmental benefit seeking debt provider and impact investor	Project Finance
NYCHA Public housing provider	LMI Housing Resident Engagement and Enrollment Partner

The Project’s geographic focus and the NYCHA housing developments that will be hosting solar panels are set forth below.

HOUSING DEVELOPMENTS	CAMPUS LOCATION AND ZIP	RECRUITMENT NEIGHBORHOODS
KINGSBOROUGH	Bed-Stuy, Brooklyn (11233)	Bed-Stuy, Canarsie, Crown Heights, Brownsville
GLENWOOD	Canarsie, Brooklyn (11234)	
CARVER	East Harlem, Manhattan (10029)	Harlem, Washington Heights

1.2. Project Overview



Community Power REV Demo Project

The **Community Power** project is designed to establish a process for recommending smart inverter settings to similar, future CDG projects; a benchmark for marketing strategies used to increase adoption of DERs by LMI customers; and a baseline for the Company’s Power Flow model assumptions. The Project will also establish a case study illustrating that LMI customers will in aggregate not default at significantly higher rates than non-LMI CDG subscribers. The Project’s business model uses third-party financing to facilitate indirect LMI customer ownership of distributed solar-powered generation, through LMI customer membership in a community energy cooperative, which provides LMI participants with indirect ownership rights.

Project Start Date: June 18, 2019
 Project End Date: Q1 2023
 Budget: \$1.8 M
 Q3 2020 Spend: *Filed Confidentially*
 Cumulative Spend: *Filed Confidentially*



Lessons Learned: Customers

Marketing and messaging research revealed:

- The Project's communications were **easy to understand**.
- **Customers agree it would be easy to participate**, and thus are **interested in participating**.
- The **desire to save money and energy** drive interest in participating in the program.
- However, **interest in participating drops when multi-family renters are required to enroll in auto-payment**, often due to a desire to have control over their payments.

Lessons Learned: Market

- Negotiating real estate leases between public entities and non-profit organizations can be a challenge, resulting in a protracted process.
- Regulatory changes can significantly impact the timeliness and value of demonstration projects.
- Company's desire for measurable marketing strategies has the potential to leave Community Based Organization (CBO) partners feeling disempowered and lacking agency due to scheduling delays.
- Non in-person marketing (e.g., flyers and mailers) are not very effective advertisement for this energy-focused program.
- Investors are heavily focused on revenue certainty during contract negotiations.

Application of Lessons Learned: *Outreach efforts now includes expansion into a much larger population through online advertisement.*

Contractual mechanisms for the smart inverter testing were placed in agreements to limit revenue risk..

Issues Identified: *In-person marketing is difficult during pandemic and cold wintery days.*

Solutions Identified: *Not applicable at this time.*

Recent Milestones: *Finalized lease negotiation with NYCHA; Tentatively secured Financing; Launched Customer Enrollment; Finalized negotiations on amendment to Solar One/Con Edison contract.*

Upcoming Milestones: *Launch subscriber, non-subscribers, and potential investors surveys (Q1 2021, revised from Q4 2020); Project Fully Subscribed with 350 LMI Households (Q2 2021, revised from Q4 2020); Construction Complete (Q2 2021, revised from Q4 2020); Customers Receive First Solar Credit on Con Edison Bill (Q1 2021, revised from Q4 2020); Demo Ends (Q1 2023, revised from Q1 2022).*

2.0 QUARTERLY PROGRESS

2.1 Activities Overview and Updates

Phase 1, Pre-Development: started in June of 2019. This phase is 100 percent complete, with seven out of seven major tasks identified as milestones and/or key Project deliverables listed below accomplished.

Milestones and/or Key Tasks Complete Since Last Quarter:

- Develop legal agreements
- Initiate site selections
- Release competitive request for proposals
- Deploy program costs (an impact investment)
- Selecting solar installers
- Negotiating pricing and terms for the solar installations
- Secure community outreach partnerships

Co-op Power and Accord Power have completed the contract amendment required for the installation of additional smart inverter equipment and testing. The amendment to the universal agreement between Solar One and Con Edison has been finalized – Con Edison can now manage and use smart inverter functionality and all resulting data.

Phase 2, Implementation: began in Q1 2020 and will continue through early 2021, this phase is 80 percent complete, with eight out of 10 major tasks identified as milestones and/or key Project deliverables listed below accomplished.

Milestones and/or Key Tasks Complete Since Last Quarter:

- Procure solar arrays, communications and environmental sensor equipment

- Install solar arrays communications and environmental sensor equipment
- Recruit workforce apprentices
- Train workforce apprentices
- Engage subscribers on a rolling basis
- Launch marketing communications and customer outreach
- First credits issued to customers
- Hire workforce trainees for solar array installation
- Deploy Project financing for capital costs (a loan)

Solar Lease Negotiation: In early Q4 2020, NYCHA countersigned the lease agreement with Co-op Power. The lease has been fully executed. Prior to commissioning of the first system, the lease will be reassigned to the financier and system owner, Sunwealth.

Financing: Co-op Power is not creating a project company (LLC) or seeking a tax equity investor. In early Q4 2020, Co-op Power was able to close on financing with Sunwealth. Terms of financing included a 20% discount to community solar participants, a 10-year buyback option, and a development fee to cover Co-op Power's development costs. Shortly after closing, Sunwealth deployed project financing and reimbursed Accord Power for their payment to secure solar panels that were set aside at the end of last year to Safe Harbor the project as well as the balance of the solar PV module payment. Sunwealth is unique in that they finance projects through a Solar Impact Fund, a socially responsible investing platform.

Workforce: During Q4 2020, Accord Power offered Apprentice & Pod Leader roles to 18 NYCHA residents, and 13 joined the Community Power construction crews, three of which were selected as Pod Leaders. The other five apprentices declined the offer for various reasons, including childcare, relocation, other job opportunity, or an injury unrelated to this project. At the end of Q4, one Pod Leader dropped out because they secured another job. Green City Force is working with Accord Power to replace that candidate and promote another trainee as a Pod Leader at the start of Q1 2021.

The apprentices began work at the Carver campus in Upper Manhattan at the end of November 2020. Accord Power, Green City Force, and Solar One met weekly to discuss construction updates and trainee progress, specifically their performance,

attitude, attendance, and tardiness record. Accord Power reported that the apprentices are learning and performing well and was very satisfied with their level of enthusiasm and work quality.

Construction: In Q4 2020, Accord Power received all the building permits for Carver in East Harlem and began construction the first week of December. Prior to construction, NYCHA required a site walkthrough and the roofing company, GAF, requested a pre-inspection to uphold the roof warranty. During the site walkthrough, NYCHA staff and Accord Power aligned on construction logistics such as equipment delivery points, lift location, parking, Port-A-Potty locations, etc. GAF conducted a virtual pre-inspection and noted a few items to repair to preserve the roof warranty, but no items prohibiting construction.

Accord Power construction staff and the workforce apprentices worked in two crews to stage the ballast and racking and install the DC electrical equipment, such as panels, conduit, optimizers, etc. The crews completed the DC electric work at the end of Q4. Accord Power's electrician will continue the AC electric side of the installation by installing the inverter, wire runs, and tying-in the solar to existing electric panels, in early Q1 2021.

At the end of Q4 2020, all but one of the permits for Glenwood were received, ensuring construction can move forward at the scheduled timeline. Staging and DC electric installation started on Glenwood the first week of 2021. Construction at Glenwood is expected to take about 10 weeks. Accord Power was notified by the Department of Buildings that the plan sets for Kingsborough were disapproved because of fire access path issues. Accord Power will rectify the fire path access issues with FDNY and Department of Buildings after all Glenwood permits are received, and do not expect this to negatively impact the project timeline.

Outreach: WE ACT and BMC added outdoor tabling as part of their outreach. All appropriate COVID-19 safety protocols were followed during the outdoor tabling outreach. However, due to COVID-19 and severe weather in Q4, the outreach still did not achieve the desired level of engagement. Therefore, Solar One and Con Edison have decided to broaden the outreach efforts to include advertising on Electronic Benefit Transfer (EBT) management app called Propel and allowing the community engagement partners to include additional LMI communities. In late Q4 2020, Solar One was able to successfully sign up the first subscriber. Credits to subscribers will be provided as solar installations get completed. First credits are expected in early Q2 2021.

Phase 3, Evaluation: slated for 2021, this phase is 0 percent complete, with zero out of three major tasks identified as milestones and/or key Project deliverables listed below accomplished.

Milestones and/or Key Tasks Complete Since Last Quarter:

- Documentation of results (analysis of bill impacts, default rates, on-time payment, revenue realization rates, etc.)
- Job placement for workforce trainees after project installation complete
- Draft initial final Project report

Phase 4, Closing: slated to begin in 2022. This phase is 0 percent complete, with zero out of three major activities identified as milestones or key Project deliverables listed below accomplished.

Milestones and/or Key Tasks Complete Since Last Quarter:

- Final survey for participants
- Final survey for workforce trainees
- Finalize closing report

2.2 Key Metrics

Program metrics and ancillary benefits metrics will be tracked since the Project is launched in Q4 of 2020 on a quarterly basis (for program metrics) and annually (for ancillary benefits metrics). Below is an abbreviated list of metrics to be tracked.

Category of Effect	Performance Metrics	Reporting Cycle
Smart Inverter Settings & Power Flow Model Baseline	<ul style="list-style-type: none"> • Results from observation of seven key metrics at each of eight smart inverter settings: (1) inverter response time, (2) ramp rate, (3) voltage curves (4) active power (5) voltage, (6) reactive power, and (7) power factor • Initial model vs. actual system behavior comparison 	→ Quarterly

Development	<ul style="list-style-type: none"> • Modifications to the model assumption inputs • Revised model vs. actual system behavior comparison (including percent of improvement) 	
Affordability	<p>Participating Customer Savings:</p> <ul style="list-style-type: none"> • Average net utility bill savings delivered to low-income program participants (target = \$78/household/year) • Average percent reduction in energy costs (target = seven to 15 percent) • Average reduction in late fees and penalties • Reduction in the number and cost of disconnections <p>Project Financial Performance:</p> <ul style="list-style-type: none"> • Default rate for LMI subscribers, defined as the percentage of participant payments that are more than 30 days overdue (target = < 10 percent) • Project revenue realization rate, defined as the percentage of total kWh sold at the target subscription rate (target = > 95%) 	→ Quarterly
Sustainability	<ul style="list-style-type: none"> • Total solar capacity installed (target = 1 MW-AC) • kWh of solar energy generated (target = 1,416,000/year) • Reduced greenhouse gas (GHG) emissions in (target = 1,727,520 lbs. of CO₂ equivalent in GHG per year) 	→ Quarterly
Engagement	<ul style="list-style-type: none"> • Number of LMI customers engaged and educated regarding opportunities to participate (target = 1,170 LMI customers assuming a 30 percent conversion rate, to arrive at 350 participants) • Net promoter score • Increase in energy literacy • Reported perceptions of the utility and demonstration program design 	→ Quarterly
Access	<ul style="list-style-type: none"> • Number of LMI households that subscribe to the CDG projects as compared to target of 350 • Number of NYCHA residents and other LMI customers who participate in the project as job trainees (target = 30) • Workforce training program completion rate (target = 90 percent) • Percentage of green workforce trainees employed in the trades six months following installation (target = 65 percent) • Participant satisfaction measured six months following system commissioning via phone survey (target = highly satisfied) 	→ Quarterly

Finance and System Metrics

Finance and some system metrics will be filed with Staff confidentially and will allow Con Edison and Staff to assess the health of the financing instruments and the solar systems.

2.3 Lessons Learned and Recommendations

In Q4 2020, Solar One, WE-ACT, and BMC conducted in-person marketing by setting up tables at industry events, while following strict COVID-19 safety protocols. However,

due to COVID and severe weather, the outdoor tabling also resulted in limited engagement. Solar One, with Con Edison, will launch an online ad campaign on an EBT management app called Propel to drive additional engagement. In addition, the community engagement partners will broaden their outreach population to additional LMI housing buildings, start mass email campaigns, and include this project in their newsletters.

3.0 NEXT QUARTER FORECAST

3.1 Planned Activities

The Project Team expects to complete the solar project construction at Carver and start construction at Glenwood.

The Project Team expects to install the agreed upon smart inverter settings upon receiving Permission-To-Operate (PTO) at each project site.

The Project Team also plans to begin online advertisement on Propel application.

The Project Team will continue to enroll customers onto each CDG project.

The Project Team will continue to closely monitor the COVID-19 situation and plan risk mitigations in accordance with federal and state guidance and orders. The Project timeline may still be delayed due to COVID-19 and government restrictions on engaging in non-essential construction.

4.0 APPENDICES

The following appendices are included at the end of this Quarterly Progress Report:

Appendix A: Community Power Description of Phases

Appendix B: Work Plan

Appendix C: Checkpoints and Milestone Progress

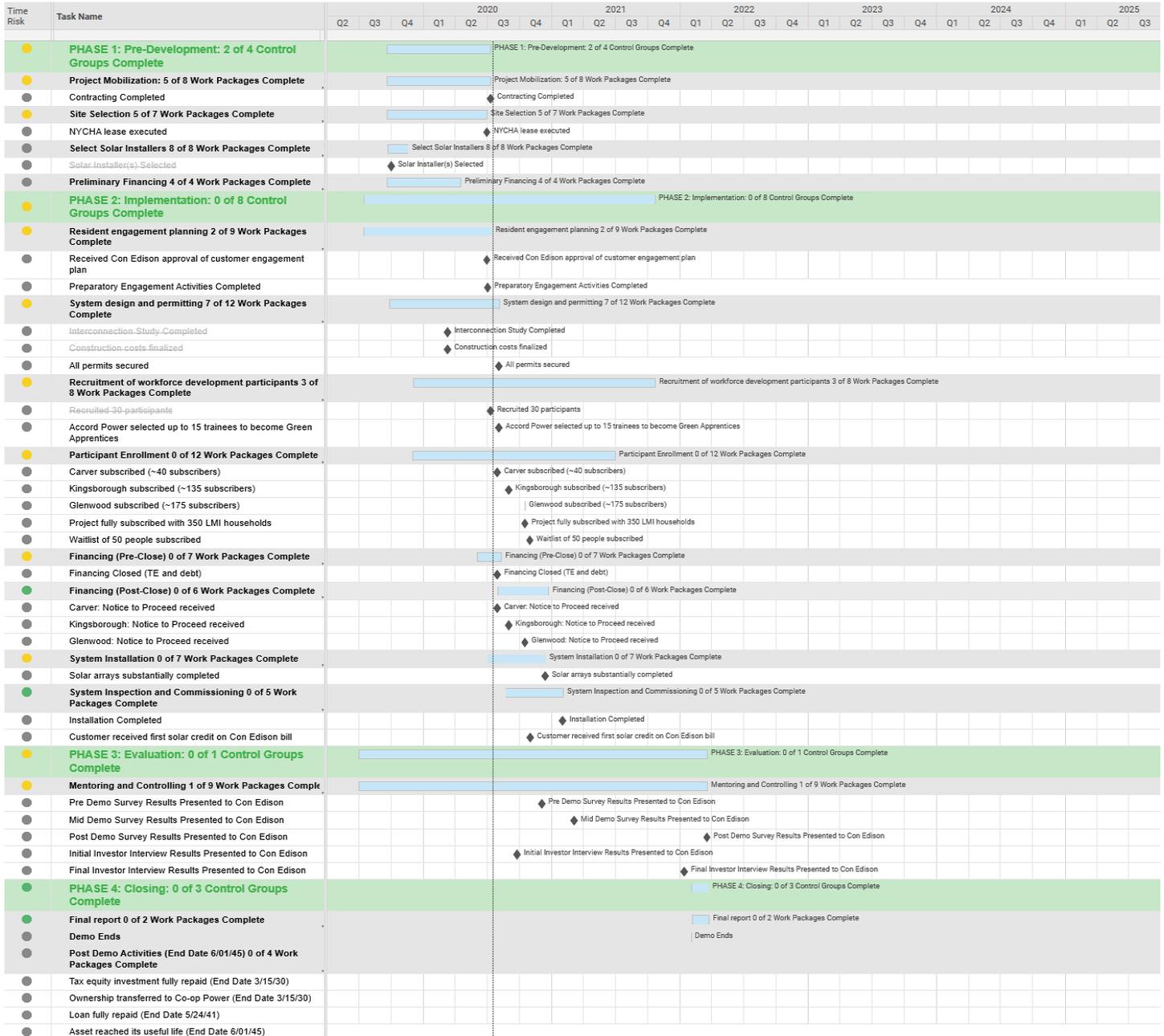
Appendix D: Procedures and Policies

Appendix A: Community Power Description of Phases

Phase	Pre-Development	Implementation	Evaluation	Close
Milestone (Stage Gate to Next Phase)	<p><i>Negotiations & Preliminary Financing</i></p> <ul style="list-style-type: none"> • Lease signed with NYCHA • Critical mass of customers enrolled • DOB permits secured 	<p><i>System Design, installation & Activation</i></p> <ul style="list-style-type: none"> • Recruit workforces • Procure equipment • Notice to proceed at each site 	<p><i>Metric Tracking & Analysis</i></p> <ul style="list-style-type: none"> • Programmatic outcomes recorded monthly and quarterly • Financial outcomes recorded monthly and quarterly • Ancillary program benefits surveys conducted 	<p><i>Report & Responsibility Hand Offs</i></p> <ul style="list-style-type: none"> • Con Edison obligations to the Project end • Solar One, We Act and BMC, Green City Force, and Accord Power obligations to the Project end
Key Elements	<ul style="list-style-type: none"> • Contacting with all parties completed • Marketing strategy, collateral, and messaging finalized 	<ul style="list-style-type: none"> • Equipment installed • Workforce training complete • System inspection • Complete site walkthroughs • Customers recruited and successfully receive first bill credit from solar system • Smart inverter Test 1 conducted 	<ul style="list-style-type: none"> • Finalize metrics • Develop survey questions and dissemination tools • Finalize survey and metrics collection logistics • Pre and mid-point marketing surveys conducted • Smart inverter Test 2 conducted 	<ul style="list-style-type: none"> • Final surveys conducted • Final investor and housing provider interviews conducted • Final reports from all parties and partners submitted • Post-demo financing milestones occurred and come to a close
DER Categories	Community Distributed Generation	Community Distributed Generation	Community Distributed Generation	Community Distributed Generation

Appendix B: Work Plan

The Work Plan was revised in Q2 2020 with the new tasks that better represent Project activities and an updated timeline. The Project's close is expected to occur in 2022. An overview of the Project by phase and control group (major category of work packages), with millstones, is below. Completed millstones have been crossed out.



Legend

 Phase	 Control Group	◆ = Milestone
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Appendix C: Checkpoints and Milestone Progress

Checkpoint/Milestone	Timing	Status
Business Structure Established and Financing Closed	Phase 2 Beginning-Midpoint	  
Workforce Recruited and Trained	Phase 2 Beginning-Midpoint	  
Subscribers Enrolled	Phase 2 Midpoint	  
Solar Installation Complete	Phase 2 Midpoint	  
Customers Receive First Solar Credits on Con Edison Bill and Sufficient Energy Savings Achieved	Phase 2-3 End of Phase 2 / End of Phase 3	  
Adequate Revenue Realization Achieved	Phase 3 Beginning-End	  

Legend

 On Schedule	 Delayed without Major Impact	 Delayed or Stopped – Project Goals Impacted
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Planned Activities

Business Structure Established

Status: Green, Done

Expected Targets by Phase 2 Beginning-Midpoint: LLC created, tax equity raised, legal agreements negotiated and executed, and final course of Project finance deployed.

Actual by Phase 2 Beginning-Midpoint: Six of six legal agreements developed and signed in Phase 1. Three of three additional sub-agreements completed. Lease

contracts has been executed. Financing agreements with tax equity and debt providers have also been executed. Solar One and Co-op Power have executed their agreement amendment. Con Edison and Solar One have amended their agreement amendment with respect to the smart inverter testing.

Solutions/strategies in case of results below expectations: This activity is completed.

Workforce Recruited and Trained

Status: Green

Expected Targets by Phase 2 Beginning-Midpoint: 15-30 apprentices having completed their training and matriculating to work opportunities with selected installers.

Actual by Phase 2 Beginning-Midpoint: The Project's workforce training has been completed in Q4 2020. 13 apprentices have been hired. One trainee has left the apprenticeship and will be replaced by another NYCHA resident. Accord Power is onboarding them as if they were any other employee, and their offer includes benefits after 90 days of employment.

Solutions/strategies in case of results below expectations: This activity is completed.

Subscribers Enrolled

Status: Yellow

Expected Target by Phase 2 Midpoint: A sustained 350 participants signed up to receive solar energy credits on their utility bill, with an additional 50 maintained on a waitlist.

Actual by Phase 2 Midpoint: During Q4 2020, the Project's customer engagement partners, WE ACT and BMC, had limited success with flyers, mailers, and outdoor tabling.

Solutions/strategies in case of results below expectations: The Community Power team will continue to make efforts where possible to expand the outreach activities. For example, Solar One will launch an advertisement campaign on an EBT-management app called Propel and community engagement partners will broaden their outreach population. In addition, the community engagement partners are expanding their outreach population.

Solar Installation Complete

Status: Green

Expected Target by Phase 2 Midpoint: Complete system design, installation, inspection, and commissioning.

Actual by Phase 2 Midpoint: Critical path activities required to start solar installations are complete. Accord Power has received building permits for Carver and completed the majority of the solar installations at that site. There is one outstanding permit application for Glenwood, which Accord Power expects to receive early Q1 2021. The Department of Buildings has notified Accord Power of a fire path issue with the Kingsborough site plans and Accord Power will rectify the issue after all permits for Glenwood are received. Accord Power expects to start construction at Glenwood at the beginning of Q1 2021 and Kingsborough by the end of Q1 2021.

Solutions/strategies in case of results below expectations: Accord Power and Solar One meet weekly to discuss construction updates. Accord Power feels confident that the permits for Kingsborough will be approved during the Glenwood construction and not hinder the installation timeline.

Customers Receive First Solar Credits on Con Edison Bill and Sufficient Energy Savings are Achieved

Status: Green

Expected Targets by Phase 2-4 End/End: An average net utility bill savings delivered to LMI participants, a percent reduction in energy costs (target 15 percent), and a relatively equal projected solar energy capacity targeted versus actual solar generated.

Actual by Phase 2-4 End/End: Installation of the solar systems is scheduled to be complete by the end of Q1 2021.

Solutions/strategies in case of results below expectations: The Project team will evaluate solar system performance and Project financing and solar system metrics monthly against targets. Con Edison will troubleshoot with the Project team based on the specific financing area experiencing underperformance. These metrics will be evaluated monthly and quarterly, and customer savings obtained from the Project will be analyzed and compared to saving projections. Consistent underperformance will result in the closing of the Project to minimize financial losses for the Project's partners and investors.

Adequate Revenue Realization Achieved

Status: Green

Expected Target by Phase 3 Beginning-End: A high project revenue realization rate, where revenue realization is defined as the total possible dollar amount of solar energy credits provided, divided by the actual dollar amount of subscription payments received from subscribers.

Actual by Phase 3-4 Beginning-End: Subscriptions have not been issued yet due to initial limited customer engagement and delays in construction from COVID-19 and ongoing lease agreement efforts.

Solutions/strategies in case of results below expectations: The Project team will evaluate engagement metrics bi-weekly to determine whether the Project is maintaining an adequate number of enrolled and waitlisted customers. The Project team will also actively work with the pool of subscribers (providing a monthly statement and promptly following up with and replacing non-paying participants from a waitlist) to enable a high Project revenue realization rate, even with some level of participant non-payment. If a participant decides to stop participating at any time, the existing participant will be promptly replaced by a LMI customer on the Project's waitlist. The Project team will also continue to watch engagement and revenue metrics for two quarters after a given drop in revenue realization. This rate will be compared to benchmarks gleaned from pre-demo impact investor surveys used to access investor appetite for financing future CDG Projects that use the Project model. After two quarters of evaluation, if low performance persists, Con Edison will consider closing the Project since the Project cannot be successful without a revenue realization rate that is satisfactory to investors.

Appendix D: Procedures and Policies

CYBERSECURITY AND PERSONALLY IDENTIFIABLE INFORMATION PROTECTION

Consistent with Commission policy related to cybersecurity and the protection of personally identifiable information (“PII”), each partner agreement executed for the implementation of the Project includes an amendment detailing specific protections related to cybersecurity and PII required of the Project partners and their information technology systems. This protection is critical in encouraging customers to sign up with new and innovative services offered by the Company.

ACCOUNTING PROCEDURE ESTABLISHED

On February 16, 2016, in Case 15-E-0229, Con Edison filed an accounting procedure for the accounting and recovery of all REV demonstration project costs. This accounting procedure establishes a standardized framework that will govern how the Company categorizes and allocates the costs of the REV demonstration projects and facilitates analyzing each project to determine the overall financial benefits of the program to customers.

COSTS, BENEFITS, AND OPERATIONAL SAVINGS

Budget information, including costs incurred and projected to be incurred, for all of the Company’s REV demonstration projects is being filed confidentially with the Commission, concurrently with the filing of this document. All costs filed are incremental costs needed to implement the projects. To date, grants have been available to reduce the net costs of the Projects, but Con Edison will take advantage of such offsetting benefits when they are available. Due to the stage of implementation for the Project, there are no operational savings to report currently.