

CON EDISON - EEPS Executive Summary

JANUARY 2011

Con Edison's EEPS efforts continued during January 2011. The following summary offers some of the program highlights of the month.

- We filed extensive comments on the EEPS Technical Manual to justify the request for lower goals.
- We met with National Grid to co-market our Multifamily and C&I programs in our territories and will train our account executives and their sales staff on each of our programs.
- We met with the mayor of Peekskill and the head of economic development to discuss our programs and develop program events with Peekskill economic development efforts.
- On January 20th we held a PR event at a customer's home in Dobbs Ferry, Westchester County, to promote our Home Energy Survey program. Honeywell, our program administrator, performed a complete survey at the home. Honeywell recommended energy saving measures, installed free energy-saving devices, referred customers to available programs, and provided a customized report. The event was covered by the Village Administrator (Mayor's office) and by the Rivertowns Patch, a local media publication/web.
- The Multifamily program participated in the DOE's Weatherization Innovation Pilot Program (WIPP) by supporting the Community Environmental Centers bid for funding. The program is now poised to support the installation of energy efficiency measures in over 1,000 dwelling units of moderate to low income in New York City and Westchester County.

Small Business Direct Install Program

Willdan reported 3,937,607 kWh of acquired energy savings and 3,267,947 kWh of committed savings in January 2011. A total of 354 installations were performed during January 2011. The survey conversion rate increased to 38% while the Motion to Proceed conversion rate increased to 19%. These rates need to continue to increase to keep pace with the program's goals.

Free Lighting Corporation (FLC), our SBDI implementation contractor on Staten Island, reported 53,631 kWh of acquired savings and 339,435 kWh of committed savings for January, for a combined program total of 3,991,238 kWh of acquired savings. Program-To-Date totals through January 2011 stand at 60,554,435 or 20.9% of the combined three year 2009-2011 program goal.

SBDI Implementation

Willdan began instituting new internal policies and system upgrades that they believe will increase efficiency and prepare them for an increase in program volumes. Willdan is preparing a February 2011 "program re-launch" training with existing subcontractors to help solidify the program changes and create renewed excitement in the program.

Three surveyors were let go after review of their work was found to be below quality standards. The affected sites have since been revisited to ensure survey accuracy and customer satisfaction. Two new surveyors were added to the team during January, and many others have been interviewed, with the hope of increasing the sales team during February.

Marketing & Community Outreach

The sales team is also focusing on 're-sweeps' of areas that were previously marketed to. Many fertile areas remain in Brooklyn and Queens that have substantial opportunities for energy savings. These re-sweeps are designed to fully engage the customer base which is now more knowledgeable than during the first tour, which transpired during the early stages of the program..

All marketing activities are now overseen by Con Edison. Willdan continues to market to high-profile chain accounts and vertical customers. Several case studies have been coordinated with Con Edison's Corporate Communications group to be used in videos that will be featured in the sales kits (currently awaiting Con Edison approval) and on the website.

January was a planning month for the community outreach team. We organized our list of BIDs and business organizations, and strategized a plan of attack for the first half of the year.

Residential HVAC Programs

In the month of January, Honeywell continued to implement the improvement plan for the Heating and Cooling rebates for Homes Program.

Through January 2011, cumulative acquired savings now stand at approximately 712,000 kWh or 10.1% of the combined three year 2009-2011 electric program savings goal; and approximately 182,540 therms, or 15.6% of the current combined three year 2009-2011 gas savings goal.

Honeywell continued to focus on understanding the contractor network currently operating in the program. Also, Con Edison and Honeywell are implementing the following steps to improve the program:

- Multiple meetings with the Sears' Blue Team resulted in an agreement to engage in sales trainings to promote best practices for the rebate program. Review of Sears' rebate applications (all of which were held up) with Sears' corporate personnel resulted in the understanding of program requirements and finally successfully opened the program to this contractor's customers.
- Creation, approval, and dissemination of the flyer for the BF Johnstone contractor training/seminar on February 9th at the LILC
- Submission for approval of the Con Edison Direct Mail to Contractors piece
- Hiring of our 4th Circuit Rider who brings extensive residential RHVAC experience to the program team
- Began development of banners and signage for distributor usage.
- The contractor newsletter was mailed out heralding the upcoming contractor awards ceremony on 2/1
- Developed the press release to follow the contractor awards ceremony
- Began modifying and automating the RHVAC 'missing information letter' series in BPCS
- RHVAC staff attended the High Efficiency Gas Water Heating web-x seminar on 1/25 to understand the potential to utilize savings from rebates for tankless or instantaneous water heaters.
- Attended AEA's 5-75 Residential rebate program orientation on January 11th.
- Evaluation of the current program rebate amounts with regard to maximizing participation began. Very high SEER CACs and instantaneous/tankless water heaters to be analyzed.
- Planning for the 2011 training and seminar schedule began and is being populated. Plans for 2-4 ECM trainings as well as multiple distributor training/seminars are being promoted.
- RHVAC staff met with Energy Masters, a company that specializes in duct and air sealing to discuss program barriers to these rebates.

Honeywell additionally began using the circuit rider team to review customer listings in order to resolve missing information and other rebate hold ups

Residential Room AC Program

Through January 2011, a total of 20,810 applications have been received and 13,740 rebate applications have been approved. The cumulative acquired savings through January is 756,792 kWh or 32.8% of the combined three year 2009-2011 goal. There were no additional acquired savings during the month of January.

Honeywell continues to hold meetings with retailers and manufacturers to educate them about the rebate availability and influence purchasing of eligible equipment and size.

Preparations are underway for the 2011 program. Honeywell will utilize feedback received from retailers to improve the application and overall process.

Residential Direct Install

This program commenced on July 1, 2010. Through December, Honeywell has received 1,563 customer applications for Home Energy Surveys, of which 981 surveys have been processed and

871 approved. Currently to-date, 455,019 kWh of acquired savings has been achieved through January 2011. These reported savings represent 6.6% of the Company's combined three year 2009-2011 Program goal. Acquired savings during the month of January 2011 were 67,715 kWh.

Appliance Bounty Program

This program commenced on July 1, 2010 and appliance pick-up began during August 2010. To-date a total of 1,121 applications have been received of which 1,032 have been processed and 1,027 approved. Acquired savings to-date of 1,194,243 kWh or 7.0% of the three year 2009-2011 program goal were reported. Newly acquired savings of 178,204 kWh were reported during January 2011.

Multifamily (RRP) Program

For January 2011, the following program information and metrics were provided by our implementation contractor, The Association for Energy Affordability (AEA).

RRP Marketing Events

- **National Grid Collaboration Meeting**
January 25, 2011

An initial meeting was held with National Grid in which we established the guideline for how their Multifamily gas program and our electric program would be seamlessly merged for delivery to Brooklyn, Queens, and Staten Island customers. National Grid will now consult with AEA, our vendor, on merging the energy survey and incentive components of both programs.

- **Supportive Housing Network of New York meeting**
January 21, 2011

A number of SHNNY buildings are already enrolled in the program and have acquired energy savings. This meeting with their executive director was intended to further the relationship and see what other arms of the organization can be used to market the program down into their surrounding communities.

- **Rent Stabilization Association: NYC Green Building Laws Seminar**
New York City Lawyer's Association
Vesey St., NY
January 19, 2011

RSA held this event in conjunction with NYCLA. Panelists presented local law requirements on Benchmarking, Auditing, and Retro-Commissioning. Attendees consisted of lawyers and property owners who are seeking to comply with the local laws coming into effect as well as energy efficiency and oil-to-gas conversion programs. Con Edison gave presentation on all EEPs programs followed by a Q and A session.

- **Real Estate Board of New York Seminar**

January 28, 2011

REBNY was attended by some of the largest property management firms in NYC. The breakout session led by Con Edison was attended by 30 people and generated a number of leads.

- **Blue Springs Energy meeting**

January 12, 2011

Larry Simpson, BSE President, explained how his website is a useful marketing tool for our energy programs since it is embedded within each of the county government websites throughout New York State. We intend on purchasing a marketing partnership with the company that will feature all Con Edison EEPs programs on their website including contact info and direct links to applications on our Company website.

- **Westchester Green Business Challenge**

Networking Breakfast

Edith Macy Conference Center

550 Chappaqua Road

Briarcliff Manor, NY

January 25, 2011

This event was designed to help small to medium size businesses identify ways in which they could implement green strategies. There were approximately 50 businesses present and 8 speakers, including a Con Edison representative of the SBDI program.

- **BISNOW's Multifamily Summit**

The Roosevelt Hotel

45 East 45th Street

New York, NY 10017

January 28, 2011

This event consisted of two panel discussions, Owner/Developer and Capital Markets. Both were geared towards the current state of the New York City multi-family market. Issues examined included, the national markets that have held up best in the economic downturn, the expectations of residential projects looking towards the future, the availability of capital, a forecast of best areas to invest in multifamily buildings, and a prediction of the federal government's behavior moving forward. The speakers included, Dan Brodsky, Senior Partner at The Brodsky Organization, Bruce Beal, EVP at Related Cos., Jonathan Rose, president at Jonathan Rose Companies, Dottie Herman, CEO at Prudential Douglas Elliman, Patrick Hanlon, Principal at Ackman-Ziff, Fred Harris, SVP Development at AvalonBay, Aaron Birnbaum, Founding Member at Meridian Capital Group, Mike Edelman, Managing Regional Director at Freddie Mac, Chip Walters, Principal at Prudential Real Estate Investors, Stephen N. Benjamin, COO at Abacus Capital Dermot, Benjamin Friedman, President/CEO at Abacus Capital Group, and James Nelson, Partner at Massey Knakal.

The event was informative and shed light on current real-estate trends moving beyond the economic downturn. The standing room only audience was focused on the panel discussions of the current and future state of the real-estate market in terms of buying and selling.

Bedford 20/20

Fox Lane High School
Bedford, New York
January 29, 2011

This event marked the launch of ENERGIZE BEDFORD, a U.S. Department of Energy backed home energy savings campaign that will create green jobs and help meet a key goal of its Climate Action Plan: reducing carbon emissions and energy use 20% by 2020.

Energize Bedford is a U.S. Department of Energy-backed Better Buildings program, funded through the agency's Energy Efficiency and Conservation Block Grant Program. The program benefits from strong partnerships with Bedford 2020 and NYSERDA, the New York State Energy and Research Development Authority.

By encouraging homeowners to get home energy assessments – and to follow through with NYSERDA's Home Performance with ENERGY STAR (HPwES) comprehensive upgrade program – Energize Bedford will help residents lower their energy bills, achieve year-round comfort in their homes, and chip away at Bedford's residential greenhouse gas emissions, which comprise 53% of the town's total. After a successful pilot effort, the program will roll out in 13 other communities in the Northern Westchester Energy Action Consortium (NWEAC).

AEA's account manager was able to collect three leads from this event.

OPERATIONS: TRADE ALLY NETWORK

In the month of January 2011 AEA conducted one monthly contractor orientations. This orientation is for contractors interested in becoming a "qualified participating contractor" in the MFEE program. Orientation sessions consist of program rules and "best practices".

Schedule for the month of January 2011:

- January 11, 2011 – 19 contractors attended this session.

There are currently a total of 102 qualified participating contractors for the MFEE program. AEA routinely conducts contractor orientations on the 2nd Tuesday of each month.

OUTREACH & SALES ACTIVITY:

CON EDISON REFERRALS:

The Association for Energy Affordability, Inc received the referrals of 20 buildings encompassing an additional 363 units from a real estate broker in the month of January 2011. An AEA account manager worked successfully with this broker to complete the application process for the broker's clients' portfolio of buildings. The completion of common area surveys and in-unit direct installs are scheduled to begin in February 2011.

Operations Activity through January 2011

Active Building Pipeline	1,041 Buildings
Building Applications Received	65 Buildings
Common Area Surveys Completed	15 Buildings

Cumulative Committed Buildings:

Total Number of buildings: 101 buildings - Total Number of units: 2,858 units

June 2010 – 33 buildings = 957 units

July 2010 – 5 buildings = 160 units

August 2010 – 17 buildings = 587 units

September 2010 – 7 buildings = 103 units (Revised)

October 2010 – 9 buildings = 224 units

November 2010 – 13 buildings = 356 units (Revised)

December 2010 – 4 buildings = 73 units

January 2011 – 13 buildings = 398 units

Cumulative Acquired Buildings:

Acquired buildings (Electric / Gas) 8 buildings = 142 units:

In-Unit Free Surveys / Installs 580 units

25,149 therms acquired

239,011 kWh acquired

Multifamily Low Income Program

The Yonkers Housing Authority (YHA) continues to install the remaining Steam Traps at several of its sites. YHA will continue with this effort into 2011 and will install an additional 3,000 steam traps, and will claim the associated savings in 2011.

Additionally we continue to have dialogue with NYCHA and are currently monitoring potential projects for 2011. All currently proposed projects appear to be gas to gas projects, and Con Edison's Program Manager for the MFLI Program has clearly defined the eligibility parameters to NYCHA. We have asked NYCHA to begin collecting the pertinent data for these potential projects so that we can begin to check for eligibility, and start to make some therm savings projections for these projects.

Lengthy design, engineering and approval processes continue to slow some of these projects from implementation, and we have asked for updated progress reports every two weeks from NYCHA's Director of Engineering.

Large Commercial Programs

Our communications with customers indicates that there are many large projects in the final decision phase. Lockheed Martin (LM) has fully staffed the program team. Due to demand in the marketplace they will continue to add business development staff with a focus on down market opportunities. LM held their 4th market partner seminar in January in Brooklyn which drew 80 attendees. These seminars are generating a substantial amount of project leads including 17 applications from the January event. An aggressive marketing plan has been developed for 2011 which has resulted in approximately 22,561 mWh and 45,849 Dth in the C&I pipeline.

The following table summarizes the suite of C&I program activity as of January 31, 2011:

Program Name	January 2011 Acquired Savings	Program-to-Date Acquired Savings	Applications Received To-Date
Electric Rebate	735,269 kWh	3,143,009 kWh	186
Gas Rebate	-	8,029 therms	18
Electric Custom Efficiency	-	117,448 kWh	75
Gas Custom Efficiency	-	-	1
Totals			280

Con Edison/NYSERDA Data Center Efficiency Program

The joint Datacenter program is going well. During January 2011, the program arranged a Westchester launch at the IBM Learning Center in Armonk, N.Y. One customer visits with NYSERDA per week to discuss the program's opportunities. A webinar has been planned, and a presentation at the New York Chapter Association of Energy Engineers has been scheduled for February. A joint presentation is planned at the Datacenter Dynamics conference in March. The parties are still experiencing some growing pains with regard to hosting joint seminars and this continues to be a work in progress.

Forecasting / Modeling / Custom Measures

We continue to prepare whitepapers and cost effectiveness screenings on various custom measures. We submitted the Steam Trap custom measure to DPS Staff for their review on January 31, 2011. We will be submitting similar data for additional custom measures during February 2011. The upcoming reviews will cover the following measures:

- Smart Strips
- Thermostatic Radiator Valves
- Direct Digital Control and Energy Management Systems