STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Petition of Consolidated Edison Company of New York, Inc. for Authorization and Cost Recovery for Early Deployment Steam Decarbonization Projects and Low-Carbon Fuels Pilot Program

Case No. 25-S-0350

COMMENTS OF THE CITY OF NEW YORK

September 8, 2025

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PRELIMINARY STATEMENT

Consolidated Edison Company of New York, Inc. ("Con Edison") has proposed three relatively small-scale projects to produce steam via means other than the combustion of fossil fuels, as well plans to procure locally-produced renewable natural gas as an alternative to burning fossil fuels to produce steam in its existing steam generating units.[1] The City of New York ("City") applauds Con Edison for seeking ways to reduce the carbon emissions from its steam production facilities. However, the City has several concerns with the proposals and believes there is insufficient information and analysis set forth in this proceeding to demonstrate that they are in the public interest. The Public Service Commission ("Commission") should require Con Edison to augment the record in accordance with the City's comments herein before steam customers are burdened with the significant projected costs of these projects. For these reasons, the City respectfully requests that the Commission not grant Con Edison's requests for

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[1] Case 25-S-0350, Petition of Consolidated Edison Company of New York, Inc. for Authorization and Cost Recovery for Early Deployment Steam Decarbonization Projects and Low-Carbon Fuels Pilot Program, Petition of Consolidated Edison (filed May 21, 2025) ("Petition").

authorization and cost recovery, with one exception, and direct Con Edison to provide supplemental information addressing the deficiencies in the Petition.

BACKGROUND

In its last steam rate case, Con Edison proposed several decarbonization projects without providing design details, specific cost estimates, or high-confidence greenhouse gas emissions reductions forecasts. The City and other parties raised concerns regarding the projects and the lack of information and did not support providing substantial funding for them at that time. However, there was general consensus to provide a limited amount of funding for preliminary work on an industrial heat pump project at the East River Station and for a feasibility study of a thermal storage project.[2] The Commission also approved a mechanism related to future decarbonization projects, along with some funding for work on such projects.[3] The Company's rate plan provides a list of 12 items that must be included in any petition for approval of a future decarbonization project.[4]

Con Edison now seeks authorization and cost recovery for four projects – (1) the same industrial heat project discussed in the Rate Order and rate plan; (2) an electric boiler at the 74th Street Generating Station; (3) a thermal storage project at the 74th Street Generating Station; and (4) a digital optimization system software tool that would improve Con Edison's operation of the

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[2] Case 22-S-0659, Consolidated Edison Company of New York, Inc. – Steam Rates, Order Adopting Terms of a Joint Proposal (issued November 16, 2023) ("Rate Order") at 14-15, 19-20. There also was authorization for preliminary work on a Hot Water Loop Decarbonization Project, but no mention was made of that project in the Petition. The City does not know if Con Edison is still pursuing that project.

[3] *Id.* at 15, 19-20.

[4] Case 22-S-0659, *supra*, Joint Proposal (filed September 1, 2023) at Section I.4,

steam system and reduce both fuel costs and carbon emissions. Con Edison also proposes to purchase renewable natural gas produced within New York City and Westchester County.

COMMENTS

Con Edison should take prudent actions to decarbonize the steam system. Many buildings that are on the steam system do not have a straightforward electrification pathway and are counting on the steam system to decarbonize in order to meet Local Law 97 emissions mandates. Similarly, steam decarbonization is a necessary part of the pathway for the City to meet its overall climate commitment of carbon neutrality by 2050.

Con Edison needs to provide more comprehensive information on the effectiveness of the projects given changing conditions and the ability to scale them up in a technically and economically feasible manner to the levels needed to fully decarbonize the steam system. Based on the information presented, the feasibility of advancing beyond a pilot stage is questionable. Moreover, preliminary funding was authorized by the Commission for the industrial heat pump project, but it is not clear that the Company has moved forward with that project over the almost two years since the funding was authorized. The Commission should not take action, except as discussed herein, until the Company provides this additional information and the results of the preliminary work that has already been funded.

POINT I

CON EDISON'S SUBMISSION DOES NOT PROVIDE SUFFICIENT INFORMATION TO JUSTIFY APPROVAL OF ITS DECARBONIZATION PROJECTS

During the last steam rate case, Con Edison proposed several decarbonization projects but provided only scant information and analysis to justify them. As reflected in the parties' Joint Proposal, which became the Company's steam rate plan, the projects were not fully funded.

Instead, funding was provided to undertake preliminary work. Additionally, the rate plan included a list of 12 topics to be discussed in any future decarbonization proposal to ensure that each proposal was sufficiently developed.

Unfortunately, Con Edison does not appear to be complying with the terms of its rate plan. While the Company includes the list of topics in each white paper attached to the Petition, the Company failed to reasonably address each topic. For example, for the Thermal Energy Storage System, the Company provided the following under the topic *Measurements or other results the Company plans to monitor*: "The Company will monitor the performance of the system to verify emissions reductions."[5] This response is not unique, as the Company provided single sentence responses with no or very little substance for many of the topics for each proposed project.

The City attempted to fill in the extensive gaps in the Petition via discovery, as is its right under Part 5 of the Commission's regulations. A copy of the City's discovery requests is attached hereto as Exhibit A. Con Edison refused to respond to any of the City's requests.[6] In considering whether to approve the Petition, the Commission should take into account the Company's refusal to provide factual support for its requests. Its unwillingness to do so suggests that, as in the steam rate case, the Company has not conducted proper due diligence of its proposals and has not properly developed or evaluated the merits, feasibility, and reasonableness of the proposals.

Similarly, Department Staff posed two discovery requests seeking factual information regarding the proposed projects on August 19, 2025. Under the Commission's regulations,

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5 Petition at B-15.

6 The City will address this refusal via a separate submission to the Commission.

responses were due August 29, 2025. If the projects had been comprehensively developed and evaluated, it should have been a simple and expeditious exercise for Con Edison to respond to two discovery requests in ten days. Instead, Con Edison advised Department Staff and other parties that it would need until September 12, 2025 to respond. Said differently, Con Edison declined to provide responses until five days after the comment deadline for this proceeding, thus not providing parties full information for this proceeding. It should not take Con Edison three weeks to respond to straightforward questions about proposals that allegedly have been in development since 2022.[7] Such action suggests that the Company is trying to avoid scrutiny of its proposals.

The City submits that the Commission should not substantively consider the Petition until parties have been given a meaningful opportunity to examine the Company's proposals, including receiving responses to their discovery requests and reviewing the responses provided to Department Staff's discovery requests discussed above. If the Commission declines to remand this matter, it must very closely scrutinize the substance of the Company's proposals and whether there is a sufficient record to justify imposing one-third of a billion dollars (or more) in incremental costs on steam customers relative to the benefits that the investments will achieve in greenhouse gas and criteria pollutant emissions reductions and decarbonizing its steam generating facilities.

To place this amount in perspective, Con Edison sought a total of $357.1 million in capital funding for the entirety of its steam business for the three-year period November 1, 2023

[7] The Company filed testimony discussing the electric boiler project on November 23, 2022 as part of its last steam rate case.

to October 31, 2026.[8] Con Edison eventually agreed to total capital investments of $317.9 million for the same period.[9] The three relatively small-scale decarbonization projects are estimated to cost $324 million, or more than the Company's total capital investments over the term of the rate plan. Importantly, these are only *estimates*, meaning that the actual costs could be higher. Moreover, they are only forecasted to reduce greenhouse gas emissions from the steam system by about 9%, based on the electric greenhouse gas emissions factor set for 2030 to 2034 by the City for Local Law 97 purposes. Given the magnitude of these costs, it is imperative that the Commission very closely evaluate the feasibility and propriety of the proposals and ensure that steam rates remain just and reasonable.

POINT II

THE PROPOSALS SHOULD BE CONSIDERED IN CONTEXT OF CURRENT MARKET AND POLITICAL CONDITIONS

The City continues to be committed to taking steps to reduce carbon emissions and transition away from the use of fossil fuels. However, the City recognizes that achievement of its policy goals, as well as concurrent State policy goals including those in the Climate Leadership and Community Protection Act, are facing significant headwinds. One of the primary sources of carbon-free power directly serving New York City was expected to be offshore wind. However, actions taken at the federal level have prevented that from happening for the foreseeable future. The only contribution of offshore wind to the supply portfolio for New York City in the near term will be the Empire Wind project at about 816 MW. Considering that the

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[8] Case 22-S-0659, *supra*, Pre-Filed Direct Testimony of Steam Infrastructure and Operations Panel (filed November 23, 2022) at 10.

[9] Case 22-S-0659, *supra*, Summary of Joint Proposal (filed September 1, 2023).

peak demand in New York City is approximately 11,000 MW[10] and due to its intermittency, the Empire Wind project will provide only about 260 MW of capacity,[11] offshore wind will not be a significant contributor to New York City's energy needs for an indeterminate amount of time.

It is well-recognized that construction of large-scale solar and onshore wind projects is not practical or feasible in or immediately near New York City. Moreover, it appears that the other actions at the federal level, including but not limited to the phase-out of investment and production tax credits for renewable resources and the ongoing reviews by federal agencies of their handling and issuance of permits for such projects, will significantly limit the development of solar and onshore wind projects that could provide power to New York City.

At the State level, the Commission's recent decision to deny the New York Power Authority's request for a priority transmission project designation for the Clean Path Transmission Project effectively ended the near-term potential for bringing carbon-free power produced upstate to New York City.[12] While other upstate to downstate transmission projects

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[10] NYISO, *2025 Load & Capacity Data*, issued May 4, 2025 ("Gold Book"), at Table I-3a: Baseline Summer Coincident Peak Demand, Historical & Forecast.

[11] NYISO, *Updated Final Capacity Accreditation Factors for the 2024-2025 Capability Year*; available at https://www.nyiso.com/documents/20142/41593818/Final-CAFs-for-the-2024-2025-capability-year.pdf/3efc1e06-c1b0-72d6-f736-22721709c157?t=1708951801025. According to this document, offshore wind has a summer capacity accreditation factor of 31.56% and a winter capacity accreditation factor of 32.31%. These factors produce installed capacity values of 257 MW and 263 MW, respectively.

[12] *See* Case 20-E-0197, Proceeding on Motion of the Commission to Implement Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act, Order Denying Petition (issued August 14, 2025) ("PTP Order"). There is limited transmission capacity from upstate into New York City, and congestion on the backbone transmission system prevents the free flow of power from upstate resources to New York City. At present, there are no other transmission projects under development or which have been approved to increase power flows from upstate to New York City.

have been proposed, the Commission has not taken any action on those proposals,[13] and its rationale in the PTP Order indicates that it has no intention of declaring any upstate to downstate transmission needs in the near future.[14]

Besides the Empire Wind project, the only large-scale carbon-free source of supply to New York City will be the Champlain Hudson Power Express project, which will deliver Canadian hydropower directly into New York City. That project is expected to provide up to 20% of the City's present energy needs. While it is a welcome addition to the supply portfolio, it does not resolve the increasing demand for electricity in New York City, and it is not a resource that could be expanded to provide more power over time.

Tables III-3a and III-3b of the 2025 Gold Book show the total megawatts of installed capacity by season (summer and winter, respectively) and zone and fuel type. Those tables show that there are 0 MW of carbon-free resources in New York City. If the area is expanded to include the lower Hudson Valley (*i.e.*, Zones G-J), the tables show that there are just under 141 MW of carbon-free resources located in downstate New York, not including Long Island.[15] This amount compares to between 13,321 MW and 14,231 MW of fossil installed capacity in the same region.[16] While these figures will improve with the Empire Wind and Champlain Hudson

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[13] *See* Case 24-E-0645, Petition of New York Independent System Operator, Inc. Regarding Public Policy Transmission Needs for Consideration for 2024. The NYISO submitted several proposals for new upstate to downstate transmission projects to the Commission on November 14, 2024, and comments on those projects were submitted on February 24, 2025. This matter has now been pending for over six months.

[14] PTP Order at 34-36.

[15] While there are about 300 MW of carbon-free resources on Long Island, those resources are expected to be used to serve load on Long Island.

[16] To be clear, there has been some progress in adding renewable resources in New York City, but such resources have been exclusively behind the meter, supplying energy to buildings and other direct loads, as opposed to supplying energy to the grid. Moreover, when the grid

Power Express projects, and those projects will help to reduce the reliance on fossil fuels in New York City, they will provide perhaps about one-third of the power needed by New York City currently. Given the political dynamics discussed above, there are no indications that more carbon-free power will be provided to New York City in the foreseeable future.

Thus, there is a significant question as to whether the electric system is capable of accommodating the decarbonization of the steam system at this time.[17] Con Edison has previously estimated that fully decarbonizing the steam system could add 4,000 MW or more of new electric load. As discussed above, there are no carbon-free sources of power available or expected to be available to serve this incremental load.

To be clear, the City is not opposed to Con Edison taking reasonable steps to reduce its carbon emissions, and the City applauds Con Edison for doing so. However, the costs of such actions and their implementation timelines are important to balance energy affordability concerns. Although there are no residential steam customers, the steam system serves a number of residential buildings, including subsidized multifamily buildings. It is as important to control the cost of steam as the cost of electricity and natural gas.

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is not constrained, some carbon-free energy produced upstate is able to serve New York City load.

[17] Another factor that bears mention is the Locational Minimum Capacity Requirement for New York City, which is mandated by Section 5.11 of the NYISO's Market Administration and Control Area Services Tariff. This requirement is set annually, and it sets forth the proportion of capacity each load-serving entity in New York City must purchase from suppliers located within New York City. For the capability year that began on May 1, 2025, the requirement is 78.5%, While energy can be purchased from other regions, the transmission capacity into New York City is limited, and transmission congestion further limits the amount of power that can actually flow into New York City. Therefore, Con Edison will not be able to rely on upstate renewable resources to serve its needs. While the Company can purchase renewable energy credits to signify generally that it is purchasing carbon-free power, the power actually consumed by the proposed projects must come from somewhere. For the reasons set forth herein, that power is more likely to come from local production facilities rather than distant renewable resources.

Here, the Company is proposing to burden steam customers with a massive amount of costs to produce relatively small amounts of steam.[18] In all likelihood, these three projects will require increased production of electricity from fossil-fueled electric generating facilities, Therefore, the Commission must carefully consider whether the costs are justified. Compounding this concern, Con Edison is proposing to deploy a combination of very novel technology plus existing technologies in manners never used before. The Commission also must carefully consider whether New York City customers should bear the very high costs of what is really a large-scale research and development program. The City submits that further analysis is needed given the changing conditions discussed above to determine whether these costs are warranted now.

POINT III

THE COMMISSION SHOULD CONSIDER AUTHORIZING A PHASED APPROACH

Consistent with the above discussion, the City recommends that the Commission consider authorizing Con Edison to proceed in stages rather than in parallel. That is, rather than pursuing all three projects at once, the Company be authorized to develop a single project, gain experience with that technology, evaluate its technical and economic feasibility, and then, as appropriate in the future, develop a second project testing a different technology, and subsequently, again as appropriate, develop a third project testing a third technology. This approach would significantly reduce cost burdens on steam customers, require fewer Company and consultant resources, allow

[18] According to Con Edison's website, its steam system can produce 10.8 million pounds of steam per hour (https://www.coned.com/en/commercial-industrial/steam/why-steam). According to the Petition, the three projects would be capable of producing 300,000 pounds of steam per hour on a continuous basis and 67,000 pounds of steam per hour on an intermittent basis. Thus, the projects would supplant at most 3.4% of the system's present production capacity.

Con Edison to focus its efforts on each project, and provide time for the more novel or nascent technologies to be evaluated and improved by others. Moreover, this approach minimizes increasing demand on the electric system during a period when there is tightening supply and growing system reliability concerns.

After one project is completed and operates for a period of time to allow for a proper evaluation, the Company should make a filing detailing the results of its evaluation and, if desired, proposing an additional decarbonization project. Updated information on costs and the proposed technology should be included in such filings.

POINT IV

THE COMMISSION SHOULD APPROVE AND DIRECT CON EDISON TO IMMEDIATELY IMPLEMENT THE DIGITAL OPTIMIZATION SOFTWARE TOOL

In the Petition, Con Edison provides a detailed explanation of the optimization tool and of the efficiencies and other benefits it could provide. Based on conversations between Con Edison and the City, the City understands that Con Edison has conducted due diligence on it, including discussing its use and benefits with European utilities that have implemented it. It appears that the tool will improve the manner in which Con Edison performs its forecasts of need and dispatches its steam generating facilities. The Company reports that it expects the system to almost immediately produce financial benefits and to pay for itself in less than two and a half years.[19]

The City has reviewed the information provided by the Company and concurs that this tool would be a good investment. In addition to providing financial benefits in the form of reduced fuel costs, the tool also would provide environmental benefits in the form of carbon

[19] Petition at 11 and B-21.

emissions reductions. Overall, the tool should help steam operations to become more efficient, and greater efficiencies should lead to lower costs for customers, generally.

For these reasons, the City respectfully recommends that the Commission authorize and direct Con Edison to proceed with acquisition and implementation of the tool as soon as possible. Additionally, to provide transparency and allow both the Commission and parties to review whether the Company's claims are accurate, the Commission should require Con Edison to provide periodic reports – perhaps twice per year – on its progress in implementing the tool and then on the savings and other benefits attributable to the use of the tool. These reports should continue for a period of no less than three years after the tool is fully implemented. If the tool does not produce the expected benefits, the Company should be required to explain why it is not doing so and any changes being contemplated to improve the use of the tool.

POINT V

THE COMMISSION SHOULD AUTHORIZE CON EDISON TO PROCEED WITH PURCHASES OF LOCALLY-SOURCED RENEWABLE NATURAL GAS

The City has long supported the use of biogenic natural gas – natural gas produced from the decomposition of organic waste material, including processing of waste in wastewater treatment facilities and locally collected organics – to supplant the use of fossil fuels. Biogenic natural gas cannot be avoided as long as organic waste is created, and it makes far more sense to productively use such gas than to simply flare it or allow its direct release into the atmosphere. Biogenic natural gas, if obtained from local sources, can be considered as having either zero or a net positive environmental impact.

Con Edison proposes to use only renewable natural gas that is produced within its service territory.[20] Because there are no facilities growing, harvesting, and processing crops in quantities to produce sizeable volumes of agricultural feedstock for biogas production purposes within New York City or Westchester County, all of the gas that Con Edison would purchase would be biogenic natural gas from the decomposition of organic materials. In other words, Con Edison's proposal would result in either a net zero or beneficial environmental impact because it is productively using gas that is already being produced and avoiding the transportation and combustion of fossil natural gas.

Con Edison believes that it could secure up to 10 percent of its annual fuel needs from locally-sourced biogenic natural gas.[21] The City is expanding its ability to capture and allow the productive use of biogenic natural gas from its 14 wastewater treatment facilities, and it is aware of efforts being taken at landfills and other waste treatment sources to similarly capture and use the gas being produced at those facilities. Therefore, it is possible that Con Edison will be able to secure substantial quantities of biogenic natural gas over time.

The City believes that the Company's proposal is a reasonable and appropriate step towards the decarbonization of its steam system and may incentivize future local renewable natural gas production. While there is a cost to purchasing this gas, as noted in the Petition, the City expects that the incremental cost of biogenic gas over fossil gas will be much lower than the cost of the other decarbonization projects the Company has proposed. The City therefore respectfully recommends that the Commission authorize Con Edison to proceed with purchases of biogenic natural gas to the maximum extent possible.

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[20] Petition at 11.

[21] *Id.* at 12.

As a corollary matter, Con Edison stated plans to engage with the New York City Department of Buildings regarding changes to the emissions coefficient of steam based on this and its other decarbonization efforts. The City reiterates its prior comments on this issue. Presently, the City sees no basis to modify the emissions coefficient of steam for purposes of Local Law 97 of 2019. To be clear, the coefficients will not be changed based solely on Con Edison's current plans to make changes in the manner in which it produces steam. However, the Department of Buildings is open to discussing with Con Edison whether and what changes may be appropriate once Con Edison has taken concrete actions to reduce its carbon emissions.

CONCLUSION

While the City supports efforts to decarbonize the steam system, the City has concerns with the proposals set forth in the Petition. As discussed herein, the City's primary concerns relate to cost and whether the projects will reduce carbon emissions and the relative effectiveness and scalability of the proposed projects. To address these concerns, the Commission should consider a staged approach where only the electric boiler project is authorized to proceed at this time. As to the Company's other proposals, the City fully supports the use of optimization software and the use of locally-produced biogenic natural gas. The benefits of both proposals have been established, and the Commission should authorize Con Edison to proceed with their implementation.

Respectfully submitted,

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Dated: September 8, 2025
Albany, New York

Exhibit A

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Petition of Consolidated Edison Company of New York, Inc. for Authorization and Cost Recovery for Early Deployment Steam Decarbonization Projects and a Low-Carbon Fuels Pilot Program

Matter No. 25-01051

CITY OF NEW YORK'S FIRST SET OF INFORMATION REQUESTS TO CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

1. Please provide the workpapers supporting Tables 1, 2, and 3 of Exhibit A. To the extent the workpapers include excel spreadsheets, please provide versions of the spreadsheets with all cells unlocked and all formulae intact and visible.

2. Please explain the value to customers created by increasing the overall production capacity of the steam system.

3. Pages 8-9 of the Petition state that the heat pump, electric boiler, and thermal storage system will collectively produce 367 Mlbs/hr of steam, and the heat pump will produce the same amount of steam as a natural gas boiler that it will supplant. Exhibit A states that the electric boiler and thermal energy storage system will offset the production of steam from existing natural gas package boilers.

    a. Please explain how the projects will provide a net increase in the capacity of the steam system of 300 Mlbs/hr.

    b. Please explain what is meant by "net" increase.

4. The Petition states that the proposed projects will collectively reduce carbon emissions by 33% by 2040. How does Con Edison intend to achieve the remaining 67% reduction in carbon emissions to achieve its 2040 goal of zero direct greenhouse gas emissions?

5. The Petition states at page 3 that the proposed projects are cost-effective, but no analysis is included in the Petition or work papers to support this statement. Please provide the cost-benefit analyses, with supporting workpapers, which demonstrate that each of the proposed projects is cost-effective.

6. a. Is Con Edison's assertion that its projects are cost-effective contingent on the New York City Department of Buildings reducing the emissions coefficient for steam?

    b. If the response to (a) is yes and the Department of Buildings does not reduce the coefficient, would that change the Company's position on whether the projects are cost-effective.

7. Please describe the flexibility provided by the industrial heat pump project.

8. Please describe the flexibility provided by the electric boiler.

9. The white paper for the electric boiler project notes that it can be taken offline if there are electric system reliability concerns, but it does not discuss or describe how the project has "the ability to respond to a fluctuating electric grid" as stated on page 7 of the Petition. Please explain how the electric boiler project will do so.

10. The white paper for the industrial heat pump project notes that it can be taken offline if there are electric system reliability concerns, but it does not discuss or describe how the project has "the ability to respond to a fluctuating electric grid" as stated on page 7 of the Petition. Please explain how the industrial heat pump project will do so.

11. If Con Edison does not receive funding from the Department of Energy for the thermal energy storage project, please explain how that project will provide "the ability to respond to a fluctuating electric grid" as stated on page 7 of the Petition.

12. Please explain how decarbonization of the steam system will facilitate historical building preservation, as claimed on page 8 of the Petition.

13. To whom is decarbonization of the steam system preferable to changing customer behavior, as claimed on page 8 of the Petition.

14. To whom is decarbonization of the steam system preferable to customers making decarbonization investments, as claimed on page 8 of the Petition.

15. The Petition and white paper state that the thermal storage system could produce steam for 12-15 hours.

    a. What is the Company's expectation as to the number of hours during any operating session that it would use the thermal storage system to produce steam?

    b. How long will it take the system to fully recharge if it is fully depleted?

    c. How long will it take the system to full recharge if it is depleted by 50%?

16. Why does Con Edison believe it needs specific approval from the Commission to implement the Steam Digital Optimization Solution?

17. Given the benefits of the Steam Digital Optimization Solution described in the Petition and white paper, and its relatively modest cost, please explain why the Company is not implementing this system as part of its normal course of operations and prudent management of the steam system.

18. a. Does Con Edison believe it is prohibited from implementing the Steam Digital Optimization Solution immediately?

    b. If the response to (a) is yes, please explain the basis of its belief.

19. Please explain how the timing of Commission consideration of the Petition could be important to the next set of Local Law 97 Advisory Board recommendations given that the Department of Buildings has bene clear and unequivocal that no changes to the steam coefficient will be considered based solely on Con Edison's plans to undertake greenhouse gas emissions reduction projects.

20. a. Con Edison states that preliminary engineering has commenced for the heat pump project. Please explain why Con Edison has not commenced preliminary engineering for the other projects.

    b. Does Con Edison believe it needs Commission approval of the proposed projects in order to commence engineering work on them?

    c. If the response to (b) is yes, please explain why when it did not need Commission approval to commence engineering work on the het pump project.

21. a. Does Con Edison believe it needs Commission approval of the proposed projects in order to enter into contracts related to them?

    b. If the response to (a) is yes, please explain why.

    c. Please describe the contracts Con Edison would potentially sign by the end of 2025.

    d. Are the details of each contract described in the response to (c) fully negotiated and agreed upon?

    e. If the response to (d) is no, please provide a timeline showing when negotiations commenced and are expected to be completed.

22. Inasmuch as Con Edison's current steam rate plan expires in 2026, and the Company would not commence cost recovery until at least 2028 according to the timeline on page 14 of the Petition,

    a. Please explain why cost recovery for the projects cannot be addressed in the Company's next steam rate case.

    b. Please explain why the Company believes it needs authorization in 2025 for a cost recovery surcharge that would not be implemented until 2028.

23. The white paper for the heat pump project states that work "would commence on January 1, 2025."

    a. Did work commence on January 1, 2025?

b. If the response to (a) is no, please explain why not.

c. If the response to (a) is no, when did work commence on this project?

24. What are the consequences for the heat pump project if Con Edison cannot obtain the permits necessary to make water withdrawals from the East River?

25. The white paper for the heat pump project states that structural modifications to the East River Station will be needed. For the East River Repowering Project, Con Edion very substantially underestimated the cost of making structural modifications to the East River Station, and the final cost was substantially higher than the Company's initial cost estimate.

a. Please describe the actions taken by Con Edison to avoid the same or similar errors for this cost estimate.

b. What is Con Edison's confidence level in the accuracy of this cost estimate?

c. Please provide the detailed cost estimate prepared for this project.

26. Con Edison previously rejected the 74th Street Station as a candidate for deployment of new production equipment due, in part, to challenges in delivering large equipment to the Station. Has Con Edison confirmed that there is sufficient space to transport the electric boiler, associated equipment, structural steel, and other materials to and into the Station?

27. Please provide the detailed cost estimate prepared for the electric boiler project.

28. For the thermal energy storage project, how does Con Edison intend to drive new piles within the existing 74th Street Station building?

29. a. Will Con Edison be able to place the heavy equipment needed to drive new piles and otherwise make structural modifications to the 74th Street building without adversely impacting the surrounding neighborhood?

b. If the response to (a) is yes, please explain where the equipment will be placed and how it will be operated to avoid such impacts.

c. Where will Con Edison locate its laydown yard to support construction of this project?

30. Please provide the detailed cost estimate prepared for the thermal energy storage project.

31. What measures will Con Edison put in place to contain the costs of the thermal energy storage project and prevent them from materially exceeding the $128.4 million cost estimate.

32. What measures will Con Edison put in place to contain the costs of the electric boiler project and prevent them from materially exceeding the $50.09 million cost estimate.

33. What measures will Con Edison put in place to contain the costs of the industrial heat pump project and prevent them from materially exceeding the $145.66 million cost estimate.

34. Please explain why it is appropriate to pursue the heat pump project considering that its cost is approximately three times larger than the cost of electric boiler, but the thermal output of the two projects is about the same.

35. Please provide an estimate of the annual operating costs for each project.

Dated: June 11, 2025
Albany, New York