BQDM QUARTERLY EXPENDITURES & PROGRAM REPORT

First Quarter 2026

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Background & Executive Summary

Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") submits this quarterly report to the New York Public Service Commission ("Commission") in compliance with the *Order Establishing Brooklyn/Queens Demand Management Program* ("Order").[1] This BQDM quarterly report ("Report") includes the Brooklyn/Queens Demand Management ("BQDM") "expenditures and program activity" including all relevant details, such as project costs, project in-service dates, Monthly Adjustment Clause ("MAC") recoveries, incremental costs incurred, operational savings, and other benefits for the first quarter of 2026.

In the Order, the Commission set a $200 million budget for the BQDM program.[2] Since the BQDM Program's inception, the Company has expended an aggregate $160.91 million, of which $0.13 million was expended during the first quarter of 2026 (see Table 1).

Table 1. Summary of Demand Reduction, Expenditures, and Recoveries to Date

	Total Peak Demand Reduction (kW) to Date	Total Portfolio Expenditures to Date ($M)	Total Funds Recovered to Date ($M)
BQDM Program at Q1 2026	63,357	$160.91	$94.52

[1] Case 14-E-0302, *Petition of Consolidated Edison Company of New York, Inc. for Approval of Brooklyn Queens Demand Management Program* ("BQDM Proceeding"), Order Establishing Brooklyn/Queens Demand Management Program ("BQDM Establishment Order") (issued December 12, 2014).

[2] Prior to the Order, expenditures incurred to address reliability needs in the BQDM target area were recovered through the Targeted Demand Side Management ("TDSM") program. Case 09-E-0115, *Proceeding on Motion of the Commission to Consider Demand Response Initiatives*, Order Adopting with Modifications a New Targeted Demand Side Management Program for Consolidated Edison Company of New York, Inc. (issued June 1, 2011). In order to accurately reflect costs incurred to address the projected overload in the BQDM target area and to maintain a single set of accounting rules on all expenses related to the BQDM Program, charges incurred under the TDSM program that are related to the BQDM target area were reclassified to the BQDM Program, enabling the Company to collect all BQDM related charges incurred before or after the issuance of the Order as BQDM Program costs. At the time of the BQDM program creation, the remaining $25 million budget of the TDSM program was included in the $200 million BQDM program budget.

BQDM Portfolio Update

Program Overview

To date, the Company achieved 63.4 MW of peak hour load relief via solutions installed through the end of the first quarter of 2026 as depicted in Figure 1 below. The Company continues to complete and verify previously sold energy efficiency projects through incentive adders for upgrades in the commercial and public building sectors. Additional information on the makeup of the Customer Sided Solutions in Figure 1 can be found in the BQDM Portfolio table in the Program Overview section.

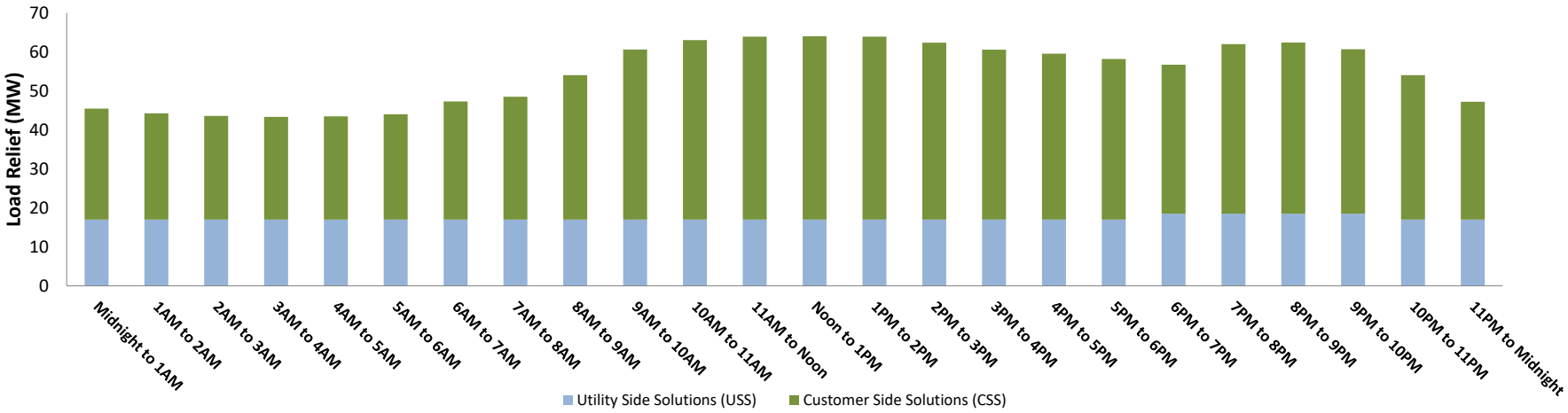


Figure 1: Hourly Load Profile of Operational BQDM Customer-Side Solutions and Non-Traditional Utility-Side Solutions

By the end of the first quarter of 2026, customer-sided load relief exceeded 44.8 MW from measures operational during the peak 9-10 PM hour. In Q1 2026 specifically, the Company continued the installation and verification of energy efficiency measures through incentive adders in commercial and public sector buildings amounting to 270 kW.

The Company plans to continue meeting its reliability needs using a combination of customer-side and non-traditional utility-side solutions via the BQDM program extension[3]. Efforts for customer-side (i.e., energy efficiency, distributed generation, and energy storage) and non-traditional utility-side solutions (i.e., energy storage and conservation voltage optimization) are described in additional detail in the Program Activity section below.

[3] BQDM Proceeding, Order Extending Brooklyn/Queens Demand Management Program (issued July 13, 2017).

Financial Activity

Per the Company's Electric Rate Plan,[4] the Company recovers BQDM expenditures through base rates. [5] The Company expended $0.13 million for the BQDM program in Q1 2026 and recovered $0.83 million through base rates in Q1 2026, as depicted in Table 2 below.

Table 2. Portfolio Expenditures and Cost Recovery

BQDM PORTFOLIO	2026			
	Quarter 1	Year-to-Date	Program-to-Date	Notes
FINANCIAL ACTIVITY ($ M)				
Expenditures				[0] See Appendix for additional detail on Expenditures
Customer-sided	$ 0.13	$ 0.13	$ 112.63	
Utility-sided	$ -	$ -	$ 48.28	
Total Expenditures	**$ 0.13**	**$ 0.13**	**$ 160.91**	
Program Cost Recovery	**$ 0.83**	**$ 0.83**	**$ 94.52**	

The Company currently anticipates that the total cost of BQDM measures will be under the $200 million budget. Per the Order, the Company also developed a General Accounting Procedure ("GAP")[6] for treatment of costs and collections associated with the BQDM Program and established internal billing accounts to manage program expenses.

[4] Case 22-E-0064, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service*, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements ("Electric Rate Plan") (issued July 20, 2023), p. 46 of Attachment A – Joint Proposal.

[5] In 2014, the Company was authorized to defer (over a 10-year period) and recover its BQDM costs through the MAC and NYPA surcharge. *See*, BQDM Proceeding, BQDM Establishment Order, p. 19-21. In its subsequent rate case filing, the Company began recovering the balance of its unrecovered costs through base rates. *See*, Case 16-E-0060, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service*, Order Approving Electric and Gas Rate Plans (issued January 25, 2017), p. 38.

[6] The Company filed the GAP with the Commission on February 10, 2015. *See,* http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={59F25E6A-7ABA-4D95-BBD2-F6142F90C798}.

No quantifiable operational savings[7] in the electric sub-transmission and distribution system operations have been identified as a direct result of BQDM Program activities conducted in the first quarter of 2026 or earlier.

Program Activity

Customer-sided Solutions Overview: In the first quarter of 2026, the Company continued implementing the portfolio of customer-side energy efficiency and using distributed generation and energy storage technologies to reduce peak demand in the BQDM targeted area. The Company has met load relief targets for energy efficiency projects, targeting multifamily, small business, and commercial and industrial customers, and ended sales of new projects in the territory at the end of 2024. However, the Company continues to install previously sold projects at customer sites in the targeted area. In the first quarter of 2026, the Company continued installing and verifying customer-side energy efficiency measures to reduce peak demand in the BQDM targeted area. See the Report Table below for demand reductions achieved to date by technology and program.

Non-Traditional Utility-side Solutions Overview: Non-traditional utility-side solutions continue operating in parallel to customer-side DERs to collectively meet load reduction needs in the BQDM targeted area. Utility-side solutions include 17 MW of conservation voltage optimization ("CVO") and 1.5 MW of energy storage, for a total of 18.5 MW of load reductions. The 1.5 MW utility-owned energy storage system became operational in the fourth quarter of 2019 and discharged for a 6-hour duration throughout summer 2025 to provide peak load relief and grid support. During the first quarter of 2023, the Company began evaluating the potential for a new utility-owned energy storage system adjacent to its Brownsville Substation and system-reinforcements for the existing energy storage system to support forecasted load relief needs during 2024-2026. The Company consulted with Department of Public Service Staff regarding this project and completed construction in the third quarter of 2025.[8] Once the Company receives full approval to operate the facility from the appropriate jurisdictional authorities, the new utility owned energy storage system will provide 5.8 MW of peak load relief to the BQDM territory.

Further information about peak-hour load reductions to date can be found in Table 3 below.

[7] The Company defines "operational savings" as reductions in costs incurred or expected to be incurred by the Company for the operation of the electric sub-transmission and distribution system supporting the BQDM target area ("BQDM Area" or "BQDM Target Area" or "Target Area") due to the implementation of BQDM solutions.

[8] BQDM Proceeding, Correspondence regarding the Company's plans to meet load forecast requirements in the BQDM area (filed May 30, 2023). The Company provides additional details of these non-traditional utility-side projects in its BQDM Implementation Plan filed February 2, 2025.

Table 3. Peak Hour Load Reductions by Program, Customer and Utility-Sided

BQDM PORTFOLIO	2026			
	Quarter 1	Year-to-Date	Program-to-Date	Notes
CUSTOMER-SIDED PROGRAM LOAD REDUCTION (Peak Hour kW)				
Energy Efficiency				
Residential Direct Install	-	-	4,930	
Bring Your Own Thermostat	-	-	391	
Residential AC	-	-	9	
Multifamily Energy Efficiency	-	-	5,780	
Small Businesses & Nonprofits	1	1	15,975	
Commercial & Industrial	-	-	1,078	
NYCHA	-	-	2,293	
DCAS	269	269	1,222	
Distributed Generation				
Fuel Cell	-	-	6,100	
Combined Heat & Power	-	-	3,079	
Energy Storage				
Peak Hour kW reduction	-	-	4,000	
Customer-Sided Portfolio Peak Hour kW Reduction	**270**	**270**	**44,857**	
UTILITY-SIDED LOAD REDUCTION (Peak hour kW)				
Conservation Voltage Optimization (CVO)	-	-	17,000	
Distributed Energy Storage System	-	-	1,500	
BQDM Total Peak Hour kW Reduction	**270**	**270**	**63,357**	

Appendix A[9]

Table A.1: Detailed BQDM Program Expenditures ($M) for first quarter 2026

Program/Projects	Jan-26	Feb-26	Mar-26	Q1 2026 Total	2026 BQDM	BQDM Total
Customer-Side Solutions						
Incentives	$ 0.02	$ 0.02	$ 0.05	$ 0.08	$ 0.08	$ 91.18
Program Implementation & Administration	$ 0.00	$ -	$ -	$ 0.00	$ 0.00	$ 6.44
Sales, Marketing, & Training	$ -	$ -	$ 0.00	$ 0.00	$ 0.00	$ 3.36
Technology, Measurement and Verification (M&V), and Evaluation	$ (0.03)	$ -	$ -	$ (0.03)	$ (0.03)	$ 10.98
Market Research & Analytics	$ 0.04	$ 0.04	$ -	$ 0.07	$ 0.07	$ 0.67
Total Customer-Side Solutions	**$ 0.03**	**$ 0.05**	**$ 0.05**	**$ 0.13**	**$ 0.13**	**$ 112.63**
Utility-Side Solutions						
Program Implementation & Administration	$ -	$ -	$ -	$ -	$ -	$ 48.04
Technology, Measurement and Verification (M&V), and Evaluation	$ -	$ -	$ -	$ -	$ -	$ 0.24
Total Utility-Side Solutions	**$ -**	**$ -**	**$ -**	$ -	$ -	**$ 48.28**
Total Customer-Side Solutions and Utility-Side Solutions	**$ 0.03**	**$ 0.05**	**$ 0.05**	**$ 0.13**	**$ 0.13**	**$ 160.91**

[9] Expenditures in Appendix A include accruals, credits, and reallocations for the various BQDM programs, which may result in activities reporting negative values. Totals may differ due to rounding.