



Consolidated Edison Company of New York, Inc.

# Request for Proposals (RFP)

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**Non-Pipeline Solutions to Provide Peak Period Natural  
Gas System Relief**

**2017**

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**ISSUED: DECEMBER 15, 2017**

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## Introduction

Consolidated Edison Company of New York, Inc. (the “Company” or “Con Edison”) is extending a request for proposal (“RFP”) for the submission of Proposals from qualified and experienced vendors, suppliers, and customers (“Respondents”) with the capability to deliver innovative Non-Pipeline Solutions that provide natural gas supply or Demand Relief during Peak Days and peak periods. Con Edison is pursuing new ways to meet growing natural gas customer needs, and this RFP is focused on one of four non-traditional components of the Company’s proposed [“Smart Solutions for Natural Gas Customers”](#) program. Defined terms used and not otherwise defined in the body of this document or its attachments or appendices shall have the meanings provided in the Definitions section below.

## Background

Consolidated Edison, Inc., is one of the nation’s largest investor-owned energy companies, and provides a wide range of energy-related products and services to its customers through its two regulated energy distribution subsidiaries: Consolidated Edison Company of New York, Inc., (Con Edison or the Company, as defined above) which provides electric, gas and steam services to New York City and Westchester County; and Orange & Rockland Utilities, Inc. (“O&R”), which provides electric and gas services in Rockland County and Orange County of New York State, and also parts of New Jersey. This RFP is specific to Con Edison, which provides electric service to approximately 3.3 million customers and gas service to approximately 1.1 million customers.

## Definitions

**Benefit-Cost Analysis (BCA):** The use of consistent and transparent methodologies that calculate the benefits and costs of potential projects and investments associated with proposed Non-Pipeline Solutions to weigh the relative value to the Company of Non-Pipeline Solutions proposed by Respondents, and as shall be informed by a “BCA Handbook” to be developed by the Company, as more particularly provided for by Appendix C of this RFP.

**Compressed Natural Gas (CNG):** Natural gas in high-pressure containers that is highly compressed (though not to the point of liquefaction) that can be used as a transportation fuel or as an alternative source of supply when injected into the Distribution System, and that can be transported overland from the point of compression to the point of injection in high-pressure containers, or compressed and stored on site for injection in the Distribution System at a later time.

**Dekatherm or Dt:** A unit of heating value equivalent to 10 therms or 1,000,000 British Thermal Units (Btu) that is typically used as a measure of the energy content of natural gas and that is also the unit of purchase for most natural gas.

**Delivered Services:** Short-term (typically 1 to 5 years) products that provide firm natural gas delivered to the Con Edison “city gate” for a specified number of days during the Winter Season, offered by third parties that have firm primary delivery point contractual rights to pipeline capacity.

**Demand:** The level of need for natural gas at a specific location or customer end use.

**Distribution System:** Con Edison's gas distribution mains and services.

**Firm Gas Customer:** A Con Edison natural gas customer offered service (regardless of class of service) under schedules or contracts that anticipate no interruptions.

**Interruptible Customer:** A Con Edison customer offered natural gas service under schedules or contracts that anticipate and permit interruption on short notice, generally in peak-load seasons.

**Liquefied Natural Gas (LNG):** Natural gas that has been liquefied by reducing its temperature to minus 260° F at atmospheric pressure. LNG can be transported overland from the point of liquefaction to the point of injection in cryogenic containers, or can be liquefied and stored on site for vaporization and injection in the Distribution System at a later time. LNG remains a liquid at minus 116° F and 673 psig; in volume, it occupies 1/600 of that of the vapor at standard conditions; it can be used as a transportation fuel or as an alternative source of supply when vaporized and injected into the transmission or distribution gas system.

**Measure:** Individual Non-Pipeline Solutions included by a Respondent in a Proposal.

**Non-Pipeline Solution(s) (NPS):** A Demand side or supply side solution (whether a singular project or a portfolio of multiple projects) that allows Con Edison to reduce the amount of interstate natural gas pipeline capacity or Delivered Services to the Con Edison city gate that is needed by Con Edison to meet peak day and peak period natural gas supply requirements for Con Edison's Firm Gas Customers in portions of the Con Edison service territory.

**Peak Day:** The coldest day to which Con Edison plans its gas system and supply portfolio to meet the full requirements of Firm Gas Customers, which is currently any day where the average temperature is 0° F (Fahrenheit).

**Pipeline Capacity:** The maximum quantity of gas that can be moved through a pipeline system at any given time based on existing service conditions such as available horsepower, pipeline diameter(s), maintenance schedules, and regional Demand for natural gas.

**Proposal:** A package submitted to Con Edison by a Respondent that explains Respondent's Non-Pipeline Solution(s) and that complies with all requirements outlined in this RFP.

**Relief:** A reduction in Demand or an increase in local supply that allows Con Edison to defer or eliminate its need for additional interstate pipeline capacity and/or reduce its use of Delivered Services.

**Renewable Natural Gas or RNG:** A form of methane usable as fuel that comes from organic sources such as landfill waste, agricultural residue and fermented waste from food and beverage manufacturing, and considered to have greenhouse gas emissions reduction benefit due to its production from renewable resources.

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**Respondent:** A person and/or entity, or a representative thereof, replying to this RFP.

**Snap Back Effect:** And occurrence when Demand reductions that result in energy savings during a Demand reduction period are partially or fully offset by additional energy use immediately after the period causing a “snap back” in energy use.

**Therm:** A unit of heating value equivalent to 100,000 British thermal units (Btu).

**Winter Season:** From November 1<sup>st</sup> through March 31<sup>st</sup>.

## Overview

This RFP solicits responses from Respondents with an interest and that have qualifications to supply Con Edison with Non-Pipeline Solutions to reduce the Company’s need to contract for the construction of new natural gas pipeline capacity to serve the Con Edison natural gas service territory or reduce the Company’s need for Delivered Services, based on the general approaches described below. To assist Respondents, this RFP provides information on the types of approaches that are likely to be considered appropriate. However, Con Edison is requesting innovative approaches to provide Relief, hence the types of approaches described below should be considered illustrative only and not prescriptive.

This RFP is open to all NPS projects that display the potential to provide Relief in the areas identified, consistent with current environmental policy, applicable laws and regulations, and reliable operation of Con Edison’s gas system. Proposed solutions should decrease Peak Day gas Demand or increase Peak Day gas supply, support system reliability, and be cost effective for Con Edison’s natural gas customers. Con Edison intends to build a portfolio of projects that will diversify project execution risks and maximize benefits to customers.

Con Edison expects that each Proposal in response to this RFP should at a minimum outline a Respondent’s suggested alternative solution(s) to the construction of incremental pipeline capacity, the cost for completing and operating the solution(s), a project development and funding plan or proposal, and a timeline for implementation as outlined in the [Non-Pipeline Solutions Requirements](#) section of this RFP. Proposals must also include the maximum hourly duration of the solution’s ability to provide Relief, and the total annual number of days and number of consecutive days that the solution would be available at its maximum hourly duration, as well as a fully completed **NPS Questionnaire (Attachment A)**. Respondents are also expected to demonstrate financial and technical capability to develop, construct and operate the proposed project(s) such that the anticipated benefits can be realized. Further details about submission requirements appear in the [Non-Pipeline Solutions Requirements](#) section of this RFP.

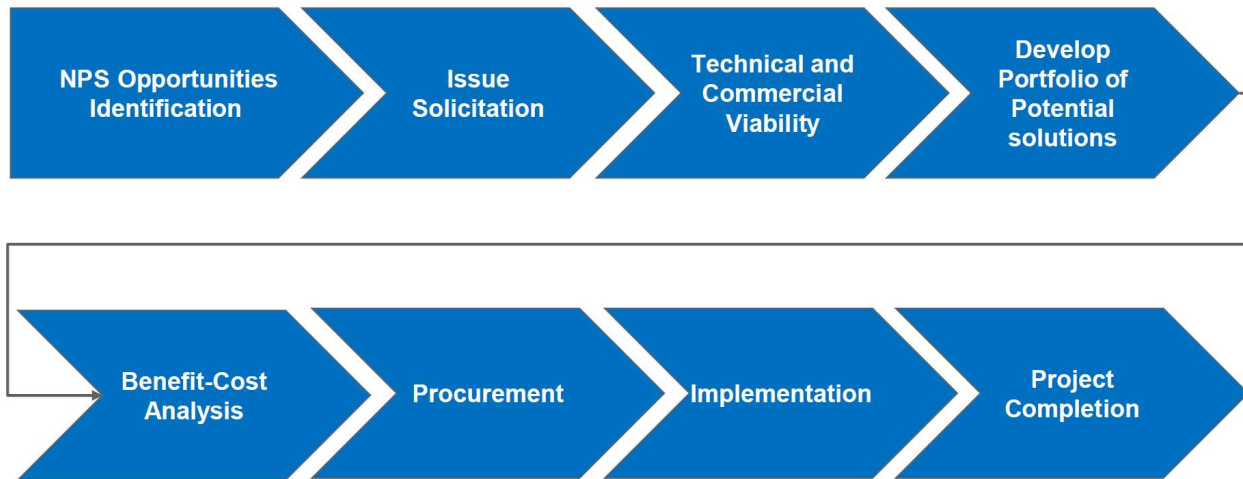
Respondents are permitted to propose compensation arrangements and commercial terms appropriate to their proposed projects. Unless otherwise requested by a Respondent and agreed to by Con Edison, Con Edison expects to enter into a Non-Pipeline Solutions Program Agreement (the “Agreement”) or a contract containing comparable terms and conditions with Respondents whose Proposals are selected under this RFP. Where a Respondent proposes contractual terms that differ substantively from those

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appearing in the Agreement, Con Edison will consider the risks and costs in connection with the proposed terms and conditions during its evaluation process. All Respondents contracting with Con Edison will be subject to verification milestones to ensure that their projects remain on track to provide the contracted Peak Day Relief. Con Edison may terminate a Respondent’s contract, and/or impose underperformance fees, if milestones are missed and Con Edison determines that Demand reduction or supply increase goals proposed by that Respondent are not likely to be achieved, or are unlikely to be achieved in the timeframe or volume contracted for.

### **Non-Pipeline Solutions High Level Process**

The process shown below is an example of the high-level steps that occur during the identification of NPS projects, as well as the evaluation, implementation, and verification of the identified solutions. Please note that there are multiple actions that take place between each step to move NPS projects forward to implementation and verification of the Peak Day Relief achieved.



## Non-Pipeline Solutions Project Description

### Project Description

Con Edison has identified a need for Non-Pipeline Solutions throughout its natural gas service territory to address a nine percent shortfall in Peak Day pipeline capacity by November 2023, which is equivalent to more than 100,000 Dt on a Peak Day. The traditional solution would be the acquisition of incremental interstate pipeline capacity (or investment in on-system peak-shaving resources) to address this requirement. The goal of this RFP is to identify a portfolio of opportunities that will reduce customer loads and provide new supply sources without the construction of a new pipeline, or at a minimum will be able to reduce the Company’s reliance on Delivered Services. The primary capacity constraint is for daily deliveries of natural gas into Con Edison’s service territory from upstream pipelines; the Company’s internal distribution capacity is adequate to meet fluctuations in customer Demand throughout the day. As a result, NPS projects must be able to provide Relief for a minimum of 24 consecutive hours on the coldest days of the year to be useful to Con Edison, and are more valuable if deployable for multi-day consecutive periods of cold weather.

The forecast need for Peak Day Relief to be met through this program can be characterized as follows:

Scale of reduction required	Scale of potential program budget	Number of days per year of required Relief	Duration of Relief
More than 100,000 Dt / Peak Day	May exceed \$100 million / year through 2023	At least 5 days per Winter Season, including 3 consecutive days; maximum value provided at 30 days	At least 3-5 years; 10 years or more is preferred, including Winter 2023-24 through Winter 2026-27

Individual projects should not attempt to meet the full target. Multiple solutions will be combined by Con Edison into a portfolio to meet the target. In the event that Con Edison is not able to develop a portfolio of solutions capable of meeting the full target, Con Edison may implement a smaller portfolio of solutions capable of reducing the amount of peak service required to meet Con Edison requirements.

Each Respondent’s submission must at a minimum provide the following:

1. At least 25 Dt/day of Relief in the aggregate on the Peak Day, with a strong preference for submissions that provide more than 250 Dt/day of Relief.
2. A net reduction in Firm Gas Customer load or increase in local gas supply over a 24-hour period corresponding to the Peak Day beginning at 10 AM. Note that Relief does not necessarily need to be provided in *each* hour of the 24-hour period, but there must be a net load reduction or
3. A net reduction in Firm Gas Customer load, or increase in local gas supply, on at least 5 days per Winter Season when Con Edison needs Relief, which typically would be the coldest days of the year. In addition, Respondents will be required to provide load reductions or supply increases on at least 3 consecutive days.



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## Eligible Projects

This RFP is open to a broad array of potential NPS projects, recognizing that the Proposals accepted by the Company must address the pipeline capacity shortfall in the Company's service territory in a safe, cost-effective, reliable and environmentally-sound manner. This RFP is open to innovative NPS approaches, and the Company's objective is to build a diverse portfolio of projects from multiple Respondents.

Con Edison expects to receive varied Demand-side reduction Proposals as well as alternative supply-side Proposals from market participants, possibly including, but not limited to:

- 1) Alternative Peak Day/peak period supply options
  - Renewable natural gas or biogas
  - Distributed natural gas storage, including distributed CNG or LNG
  - Programs to deliver distributed CNG or LNG into the Con Edison service territory
  - Other innovative supply-side Proposals
- 2) Energy efficiency measures that reduce Peak Day Demand by Firm Gas Customers
- 3) Measures that convert natural gas applications of Firm Gas Customers to efficient electric applications or other low carbon fuel sources
  - Electrification of natural gas space heating and/or hot water heating, including installation of geothermal and cold-climate air-source heat pumps
  - Dual-fuel gas/electric space heating or water heating applications, that switch Firm Gas Customers from natural gas to electricity or other low carbon fuel during peak Demand periods
  - Conversion of oil customers directly to high-efficiency electric space heating, instead of natural gas, in Con Edison's service territory
  - Conversion to other low carbon space/water heating applications
- 4) Demand response measures that reduce Peak Day natural gas Demand of Firm Gas Customers.
  - Gas curtailment or usage reduction by customers
  - Thermal energy storage measures
  - Other innovative demand response measures

Additional considerations and information specific to individual types of solutions, including how Respondents may utilize other existing and expected Con Edison programs, are included in [Appendix B](#).

### Areas of Need

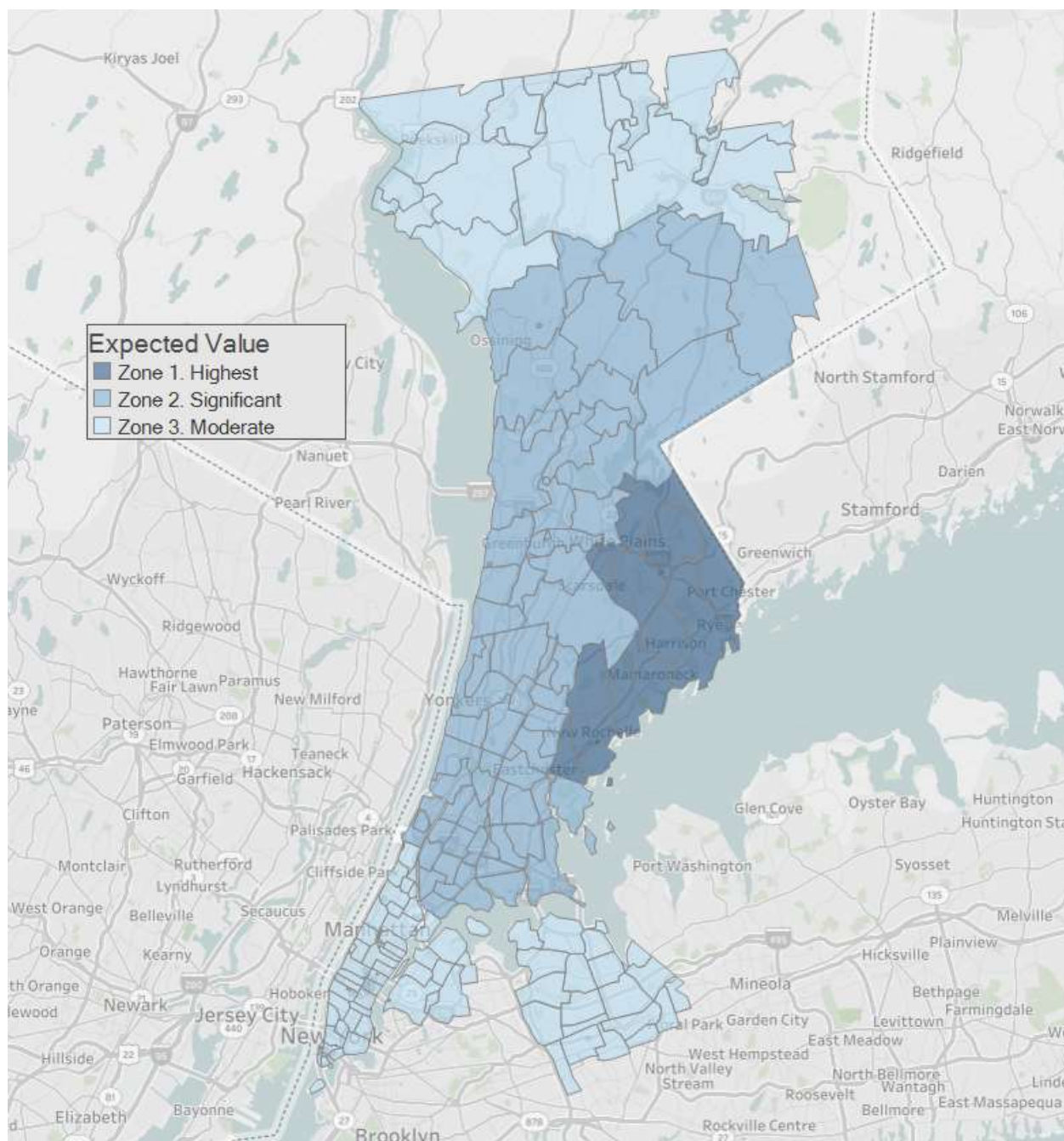
Although Con Edison’s need for Relief is system-wide, the value of a proposed NPS to Con Edison will vary based on the location of the NPS project. Con Edison will place a higher value on proposed solutions that reduce the need for pipeline capacity in the zones with the highest assigned value, and will prioritize projects in those areas for inclusion in the final portfolio. The map below divides the Con Edison service territory into three zones, each of which is impacted differently by projected pipeline capacity shortfalls. The value of NPS projects by zone can generally be ranked as shown in the table below.

**Table 1. Location and value of zones for Non-Pipeline Solutions.**

Zone	Value	Description
1	Highest	White Plains and communities on the Long Island Sound in Westchester
2	Significant	Upper Manhattan, the Bronx and the remainder of Lower Westchester
3	Moderate	The remainder of Con Edison’s gas service territory, including the portions of Manhattan, Queens and Northern Westchester

Specific information about the zip codes comprising each zone shown in Figure 1 appears in [Appendix D](#). Respondents are encouraged to consult Appendix D when developing customer acquisition and marketing plans for demand side Measures or when selecting locations for supply side Measures. For projects under consideration near the boundaries of each zone or near the boundaries of Con Edison’s service territory, Respondents are encouraged to seek confirmation from Con Edison on the exact boundaries of each zone. For projects being considered in zip codes that are also served by other gas utilities, that are adjacent to the service territories of other utilities, or where access to gas service is limited, Respondents should confirm that the customer or location in question is in fact an eligible Con Edison Firm Gas Customer or is located in Con Edison’s gas service territory.

Figure 1 provides a simplified representation of Con Edison’s gas system needs, and is intended as general guidance only. Con Edison expects to evaluate the impacts of particular solutions or combinations of solutions under a variety of potential conditions. Depending on those conditions and the specific projects received, the value of Relief provided by projects in a particular location may vary.



**Figure 1. Approximate Boundaries of Con Edison’s Natural Gas Service Territory and the Zones Most Affected by Gas Supply Constraints**

It is Con Edison’s desire to build a portfolio of Non-Pipeline Solutions that includes multiple Proposals in all zones highlighted above. In the mandatory **NPS Questionnaire (Attachment A)**, Respondents are given an opportunity to indicate whether their proposed solution is specific to a particular zone(s), or will be implemented in multiple zones.

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## Scale & Timing of Opportunity

The Company is seeking to address a forecasted shortfall of approximately **nine percent of Peak Day needs of Firm Gas Customers in 2023** through NPS projects, an amount exceeding 100,000 Dt / Peak Day, and is additionally seeking to reduce its reliance on Delivered Services from current levels as soon as commercially and operationally feasible. Through this RFP, the Company is turning to the ingenuity of the market for the best Proposals to help address this need. Individual Proposals are not required, or expected, to meet the entire target Peak Day shortfall. However, individual submissions must be of sufficient size to contribute meaningfully to meeting this objective, and while Con Edison will consider all Proposals regardless of size, those offering an aggregated portfolio of less than 25 Dt/day of Peak Day savings are unlikely to be accepted, with strong preference given for Proposals that provide 250 Dt/day of Relief or more.

Based on the desire to reduce current reliance on Delivered Services, Proposals that provide net reductions in the need for natural gas pipeline capacity as soon as the winter of 2018/19 are valuable to the Company and will be considered. Non-Pipeline Solutions must provide Relief by November 2023 at the latest, and must commit to provide Relief for at least three to five years, depending on the measure employed. Demand response measures will be required to provide a minimum of three years of Relief, while other measures must commit to provide at least five years of Relief. Proposals providing 10 years of Relief or more are preferred. Relief lasting at least through the winter of 2023-24 and for at least three years thereafter will be the most highly valued, because of their potential to eliminate the need for new gas pipeline capacity.

## Value of Opportunity

The value of the potential savings to the Company depends on whether or not the Company is able to meet the nine percent shortfall in Peak Day gas requirements by November 2023, and whether the Company can make this determination before a final decision on potential new gas pipeline development would be required. Based on the Company's estimates of the value of reducing pipeline capacity requirements, Con Edison may need to spend more than \$100 million<sup>1</sup> per year on Non-Pipeline Solutions from 2018 through 2023 to reliably offset the need for new pipeline capacity after 2023.

Whether or not the Company's efforts to eliminate the need for new gas pipeline capacity are able to achieve the full targeted result, Con Edison may move ahead with the development of some NPS projects, based on the value of the Non-Pipeline Solutions projects in reducing greenhouse gas and other emissions and their value in reducing the Company's reliance on Delivered Services.

The Company has provided guidance on the [evaluation criteria](#) for measures and is committed to providing customers a cost-effective solution. Respondents must identify other potential revenue streams or funding sources that may be utilized to mitigate cost impacts to the Company's customers

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<sup>1</sup> The entire program budget will not be awarded to a single Proposal. The program seeks to build a diverse portfolio of suppliers and types of measures, from different Respondent's proposals, in order to minimize risk and ensure cost-effectiveness.

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(including City, State, and Federal funding, participant contributions, third-party revenue streams, and other Con Edison programs) in the **NPS Questionnaire (Attachment A)**. Con Edison is prepared to give additional weight to Proposals that achieve other significant savings or provide other significant social benefits. These could include avoided infrastructure development costs within the Con Edison service territory, reduced emissions, increased system reliability, social value associated with benefits to low income customers, and other factors.

### **Duration of Peak Reduction Requirements**

Proposals must provide Con Edison with a net Peak Day Demand reduction, or with an increase in local supply during a Peak Day, over a minimum 24 hour period, with reliability sufficient to allow Con Edison to reduce the amount of contracted pipeline capacity or Delivered Services needed to serve the Company's customers. The natural gas system has an inherent capability to store natural gas within the supply day (for example, by increasing pressures prior to peak hours), but in order to reduce Peak Day pipeline capacity needs, the net reductions must occur for a 24-hour period beginning at 10:00 AM Eastern Standard Time. This requirement influences the design of the Company's program: individual customer actions that shift gas consumption from one part of the gas day to another portion of the gas day without achieving a net reduction of gas usage over the gas day do not provide the necessary Relief because such actions will not mitigate the need for daily pipeline capacity. Similarly, the value of demand response measures is reduced if there is a Snap Back Effect that increases natural gas consumption above baseline levels to recover heat subsequent to the period of demand reduction but during the 24-hour or longer period that Relief is required.

In addition to the requirement that Proposals provide Relief over a 24-hour period, the value of NPS projects to Con Edison will depend both on the solution's flexibility and its availability to provide Relief during the coldest winter conditions. In general, the more days a solution is available during winter peak periods, including consecutive multi-day periods, the better. The specific days that the NPS projects are needed will be driven by temperature. The daily volume of natural gas required is strongly dependent on temperature, and the Company's aim is to use NPS projects to meet the highest levels of demand on the coldest days.

The opportunities and requirements for NPS measures at specific temperature levels are discussed in more detail below:

- The proposed measure (or portfolio of measures) must be available at its promised level of Relief on at least 5 days per Winter Season when Con Edison needs relief, which will typically be the coldest days of the Winter Season. Respondents should assume that average daily temperatures will fall below 5° F on the 5 days on which they must perform, and that at least one Peak Day will occur (i.e., a day during the winter where the daily average temperature falls to 0° F).

- Since cold weather days are often consecutive, both demand-side and local supply measures (or a proposed portfolio of measures) must be available at their promised level of relief for at least 3 consecutive days.
- For measures that provide additional supply, such as RNG or CNG/LNG storage, Respondents are encouraged to consider strategies to maximize their resource capacity during Winter Season peak period days. Consideration will also be given to the number of days, and number of consecutive days, that a resource can provide supply during the Winter Season over and above the minimum requirements specified above. In the case of storage measures, the time required for storage to refill or recover will also be a factor.
- Increased availability of resources increases the value of the measure. The maximum Peak Day Relief value of the measure will be reached if the measure is available on at least 30 days per Winter Season. To determine whether a measure will provide Relief for 30 days per Winter Season, Respondents should examine performance under conditions when average daily temperatures may fall below 23° F.

### **Customer Profiles**

Table 2 details the number and annual gas use of the Company's Firm Gas Customers in each of the targeted zones, and represents a potential pool of candidates for Demand-reducing Non-Pipeline Solutions. All Firm Gas Customers in Con Edison's service territory are potential candidates, including customers who purchase their natural gas through an energy marketer. Customers on interruptible rates are already curtailed on the coldest days, and therefore Interruptible Customers, as of the issuance of this RFP, are not candidates for Non-Pipeline Solutions Demand reduction projects. Table 2 does not include information regarding Interruptible Customers.

**Table 2. Aggregated Customer Load and Segment Information for Con Edison Firm Gas Customers by Zone.**

Sector	Customer Segmentation	Zone 1. Highest Impact				Zone 2. Significant Impact				Zone 3. Moderate Impact			
		Heating-Firm		Non-Heating Firm		Heating-Firm		Non-Heating Firm		Heating-Firm		Non-Heating Firm	
		Annual Consumption (Dt)	Customer Count	Annual Consumption (Dt)	Customer Count	Annual Consumption (Dt)	Customer Count	Annual Consumption (Dt)	Customer Count	Annual Consumption (Dt)	Customer Count	Annual Consumption (Dt)	Customer Count
Commercial & Industrial	Education	188,104	188	10,118	75	529,197	614	172,746	274	537,032	708	187,223	487
	Hospital	99,704	9	601	9	49,599	109	15,553	57	127,266	78	624,470	53
	Large Office	126,316	35	32,915	10	398,976	84	56,734	23	516,594	148	383,278	147
	Large Retail	53,756	49	11,318	7	194,310	205	103,054	29	270,953	265	168,636	92
	Warehouse/Industrial	209,314	673	247,393	178	1,068,778	2,977	296,785	745	1,075,967	2,701	1,999,279	1,133
	Commercial & Industrial	677,193	954	302,345	279	2,240,860	3,989	644,872	1,128	2,527,811	3,900	3,362,887	1,912
Multifamily	Large Multi-Family - Common Area	326,716	227	76,464	319	5,474,482	3,772	925,673	5,580	9,374,632	9,509	1,576,459	8,254
	Large Multi-Family	517,199	1,976	81,122	12,530	13,519,031	10,590	1,704,875	225,339	22,277,014	21,199	2,107,107	266,850
	Other - Common Area	470,871	516	194,952	154	2,434,971	1,712	759,491	561	3,512,824	2,148	771,427	657
	Multifamily	1,314,785	2,719	352,537	13,003	21,428,483	16,074	3,390,038	231,480	35,164,469	32,856	4,454,994	275,761
Residential	Single Family	4,355,929	30,401	229,601	6,687	9,542,506	76,539	791,237	27,870	6,445,197	57,943	713,863	25,135
	Small Multi-Family - Common Area	106,489	442	13,843	230	1,358,711	6,717	124,648	1,709	1,286,507	6,862	112,009	1,015
	Small Multi-Family	738,893	6,295	137,448	8,501	6,072,936	39,927	1,109,596	62,083	6,110,317	33,460	483,245	34,051
	Residential	5,201,311	37,138	380,893	15,418	16,974,153	123,183	2,025,481	91,662	13,842,020	98,265	1,309,116	60,201
Small Business	Grocery	71,284	101	10,224	34	324,255	830	93,317	305	378,625	543	195,378	408
	Miscellaneous/ Entertainment	209,973	307	26,587	132	773,713	1,800	596,384	716	1,062,769	1,723	606,937	901
	Nursing Home/Lodging	134,908	105	18,897	47	493,188	747	172,616	628	670,576	596	570,199	546
	Restaurant	178,186	304	225,060	357	722,954	1,447	1,252,794	1,869	1,164,448	1,847	4,200,634	4,785
	Small Office	690,739	1,578	258,825	671	2,840,115	6,882	1,263,590	3,626	4,066,477	8,184	3,825,319	6,205
	Small Retail	163,751	689	62,366	174	810,074	3,932	576,681	952	1,062,509	3,890	3,505,231	2,009
	Small Business	1,448,842	3,084	601,958	1,415	5,964,299	15,638	3,955,382	8,096	8,405,403	16,783	12,903,698	14,854

Con Edison is focused on Peak Day Relief, but the quantities provided in the table above are based on annual consumption data. To more closely reflect the Peak Day, Firm Gas Customer, Demand levels that the Company is seeking to reduce, the table below provides illustrative load factors which can be used to estimate daily peak period impacts from annual consumption data, for different customer segments. These are also available for reference in the **NPS Questionnaire (Attachment A)**, where Respondents are required to demonstrate the savings of their measures.

The factors below were developed based on a 40-day peak period<sup>2</sup>, considering that the Company's daily consumption is typically highest on weekdays in January and February. So the factors in the first column provide the percentage of annual consumption used over the course of that peak 40-day period, while the factors in the second column represent an average day's consumption in that period (1/40<sup>th</sup> of the first column). Respondents are not required to use these illustrative factors, and are encouraged to present their own calculations of a measure's peak gas day impacts, as long as supporting data and explanations are provided to justify the approach.<sup>3</sup>

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<sup>2</sup> Note that the use of this 40-day period does not represent a required duration for measure availability in this RFP, but are a simple approach to convert annual or Winter Season loads into peak gas day reductions.

<sup>3</sup> Con Edison reserves the right to use alternative methods to evaluate projects and actual performance.

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**Table 3. Illustrative factors to convert annual gas use to peak use.**

Sector	Customer Segmentation	Estimated Heating-Firm Consumption at Peak	
		40-Day Peak Period Load Factor (% of annual total)	Average Peak Day Load Factor (% of annual total)
Commercial & Industrial	Education	29%	0.73%
	Hospital	15%	0.38%
	Large Office	21%	0.52%
	Large Retail	29%	0.73%
	Warehouse/Industrial	32%	0.81%
	Commercial & Industrial		
Multifamily	Large Multi-Family - Common Area	33%	0.82%
	Large Multi-Family	33%	0.82%
	Other - Common Area	33%	0.82%
	Multifamily		
Residential	Single Family	33%	0.82%
	Small Multi-Family - Common Area	33%	0.82%
	Small Multi-Family	33%	0.82%
	Residential		
Small Business	Grocery	25%	0.62%
	Miscellaneous/ Entertainment	19%	0.49%
	Nursing Home/Lodging	15%	0.37%
	Restaurant	19%	0.47%
	Small Office	21%	0.52%
	Small Retail	29%	0.73%
	Small Business		

## Non-Pipeline Solutions Requirements

This section outlines the requirements for responses to the RFP. The **NPS Questionnaire (Attachment A)** must be fully completed and submitted with Respondent’s Proposal. Failure to complete the questionnaire in its entirety may result in disqualification. Any additional information that Respondents would like to provide about the proposed solution can be included as an attachment to the RFP response. However, priority will be given to the information contained within the specified RFP format and questionnaire. Respondents should note that if they are selected for implementation of a proposed solution, financial assurances will be required to ensure that the NPS measures will be installed and operational on or before the contracted in-service date. Failure to meet contracted milestones may result in underperformance fees.

### Limitations on Acceptable Proposals

The intent of this RFP is to solicit a wide range of innovative Non-Pipeline Solutions, to be proposed by Respondents, which reduce the need for pipeline capacity in the zones described in this RFP during Peak Days and peak periods. As such, Con Edison will consider a wide range of different types of options. However, Con Edison expects all Proposals to be consistent with environmental and public policy objectives, and does not expect to fund any options that:

- 1) Lead to significant shifts in end-use natural gas consumption to other fossil fuels, including #2, #4, or #6 fuel oil, diesel fuel, gasoline, or propane.
- 2) Lead to significant increases in end-use carbon emissions.
- 3) Meaningfully reduce the reliability of the natural gas supply to Con Edison customers.
- 4) Require construction of new interstate pipeline capacity.
- 5) Deliver gas to Con Edison using interstate gas pipelines or the gas transmission and distribution facilities of neighboring gas distribution companies
- 6) Rely on off-shore LNG facilities or receive LNG from ships.
- 7) Require significant direct investments by the Company for facilities or services outside of the Con Edison service territory.

In the mandatory **NPS Questionnaire (Attachment A)**, Respondents are given an opportunity to indicate their proposed solution is consistent with these criteria.

### Professional Background and Experience with the Proposed Solution

Respondents must provide the following:

- Executive Summary of Proposal
  - Firm's core business and organizational structure
  - Project organizational chart and project team resumes
  - Financial statements for the past three years, and services offered
  - Examples of prior project experience that is similar in nature and relevant to the NPS requirements, with particular emphasis on implementation of the solution, such as at other utilities, large municipalities, co-ops, or any other applicable facilities. Descriptions should include the specific location of successful technology deployment
  - Contact information of customers where the Respondent has implemented the solution(s) (at least 3 references) References shall include any authorizations necessary for Con Edison to verify Respondent's related previous work
  - Any other relevant information deemed appropriate and noteworthy supporting and validating the proposed solution
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## Proposed Solution Description

Proposals must demonstrate how the proposed solution will achieve the Demand reductions or supply increases sought, and maximize value to Con Edison's customers. Detailed project information should include:

- Technology/solution description, including a demonstration that the technology is commercially-proven
- Type of contract that the Respondent is seeking with Con Edison (e.g., shared savings, performance contract, sale, lease-purchase, gas supply agreement)
- Performance characteristics of the technology, including the Proposal's specific ability to reduce Peak Day gas need or provide local supply enhancements on Peak Days, in dekatherms, and the Proposal's impact on Con Edison's Firm Customer Gas load or local supply volumes on annual basis, in dekatherms
- Description of the flexibility and applicability of the technology
- Date by which the NPS measures will be in service and the Relief will be guaranteed
- Duration of the technology's ability to reduce consumption or provide supply, details of any Snap Back Effects, and the number of consecutive days of Relief availability
- Community and environmental impacts, both negative and positive, derived from the solution
- Risks, barriers, challenges, and other factors that could prevent the Respondent from providing the Relief
- Specifications and details associated with implementing the proposed solution (e.g., permitting requirements)
- Detailed description of non-energy benefits associated with the proposed solution, such as benefits accruing to low-income customers and environmental benefits not otherwise quantified

The Proposal must specify the data, methodology and detailed calculations used to determine the estimated Peak Day consumption reduction or local supply increase (Dt/Peak Day) and annual consumption reduction or local supply increase (Dt/year) attributable to each NPS measure proposed to be installed.

## Detailed Project Plan and Timeline to Implement Solution

Proposed Non-Pipeline Solutions Measures must be in service, and the Relief must be guaranteed to commence, by the date(s) specified in the Non-Pipeline Solution Project Description section above.

- Proposals must contain a detailed plan to implement the Measure including:
  - General scope of work

- Customer acquisition and marketing plan (for demand-side Measures)
  - Site acquisition and permitting plan (for supply-side Measures)
  - Financing, including transaction structures and pricing formulas
  - Implementation plan and project schedule
  - Operation and Maintenance plan (if applicable)
- Respondents proposing to market the installation of demand-side Measures to customers should include a full and complete assessment of the NPS opportunities within targeted market segments and locations. At a minimum, this assessment should include a description of the markets, such as one-to-four family homes, multifamily buildings (including low-income public housing), small commercial buildings (e.g., retail stores, restaurants), large commercial buildings (e.g., office buildings, industrial) and government or institutional buildings (e.g., hospitals, hotels, schools, colleges), and the applicable NPS measures and technologies to be directed at each selected market or customer segment.
  - Respondents must illustrate the marketing and sales strategies that will be employed to capture the selected market or customer segment and to deliver the Demand reductions included in their Proposal. Preference will be given to Respondents with pre-existing customer agreements to deploy the solution upon confirmation of funding by the Company.
  - For demand-side Measures, inclusion by Respondents of letters of support from customers who plan to implement the solution at their site in the applicable area of need identified would be desirable (Note: customer qualifications and location will need to be verified and confirmed by Con Edison)
  - The response must contain a detailed measurement and verification (“M&V”) plan for verifying each solution’s load reduction or supply increase. The M&V plan must include provisions for access to data and implementation locations by the Company and/or its representatives for quality control and quality assurance. Independent M&V may be performed at the Company’s discretion. The Company’s M&V will include, but not be limited to, verification of continued operation and maintenance of the NPS measures for the applicable term.
  - Proposals must provide information on how the Proposal will affect the community (both positively and negatively) including, but not limited to, associated Greenhouse Gases (GHG) and other pollutant emissions, electric system savings, low-income community support, waste streams and management, job creation potential, community disruption and community engagement.
  - Proposal must outline a detailed timeline, from contracting to implementation and completion of the proposed solution.

## Detailed Costs Associated with Proposed Solution

Cost-effectiveness will be a key metric used by Con Edison to evaluate Proposals. Respondent must include the following in their Proposals to aid in Con Edison's evaluation and selection process:

- Respondents must provide detailed explanations and validation of the cost breakdown required in the **NPS Questionnaire (Attachment A)**. Detailed explanations and validation of such funding strategies will be expected to provide examples which are provable and repeatable.
- Respondents should identify other revenue streams, incentives, or cost savings that may be utilized to mitigate costs (i.e., City, State, and Federal funding opportunities, participant contributions, third-party revenue streams, and other Con Edison programs). Respondents should also identify if private sector financing will be utilized.

## Non-Pipeline Solutions Questionnaire

Respondents have been provided with a **NPS Questionnaire (Attachment A)** that must be fully completed. Respondents should provide responses in each tab of the file and submit with the Proposal. All fields in the questionnaire are critical to allow for a thorough review of a potential NPS, as well as provide information important to the creation of the portfolio of awarded solutions. All tabs within the questionnaire must be fully completed. Failure to submit a fully completed questionnaire may lead to disqualification. Questions regarding the questionnaire should be submitted to [Non-PipesRFP2017@coned.com](mailto:Non-PipesRFP2017@coned.com).

## Proposal Evaluation Approach

Solutions proposed in response to this RFP will be reviewed in detail by Con Edison. The Company will utilize an evaluation framework to develop a portfolio of NPS projects to address the needs described in this RFP. Some primary review criteria to be applied to review qualified Proposals received are listed below. The review process is intended to be fair and equitable, with the objective being to achieve the greatest overall value for customers.

Respondents should note that although Con Edison will be reviewing Respondent's solution if the submission criteria are met, there is no guarantee that a Respondent's solution will be selected or that Con Edison will enter into a contract with a Respondent. Respondents should also note that Con Edison may opt to select some, but not all, of the measures included as part of a multi-measure Proposal.

As a general matter, each Measure of any Proposal submitted, whether part of a single-Measure Proposal or a multiple-Measure Proposal, will be evaluated against other like Measures for equal comparison; and, thereafter, the Company may evaluate all Measures in the aggregate in a manner that considers the overall benefit to the Company and its customers based on the criteria set forth in this RFP, and to include considerations that could allow for the selection of individual Measures across multiple Proposals.

The entire program budget will not be awarded to a single Proposal. Con Edison has a strong preference to enter into contracts with multiple Respondents and to build a portfolio comprised of different types of solutions, to mitigate the risk that individual Respondents or types of solutions may not perform as expected.

The Company will place significant emphasis on the cost-effectiveness and feasibility of projects and Proposals. Respondents are urged to tailor their Proposals accordingly.

### Proposal Evaluation Criteria

Proposals will be evaluated and scored on the basis of the following criteria which are not necessarily listed in order of significance:

Criteria	Objective
<b>Proposal Content</b>	All information requested by Con Edison in this RFP has been provided and is comprehensive enough to allow Con Edison to evaluate the Proposal. Provided information should include a fully completed <b>NPS Questionnaire (Attachment A)</b> , and a detailed M&V plan for demand-side measures.
<b>Relief Provided</b>	The extent to which the proposed solution would meet the defined functional requirements and the ability to meet the needs outlined in this RFP through demand reduction or distributed supply, with emphasis on the time periods and locations discussed herein. Project scalability, or the maximum potential Peak Day Relief this type of solution could reasonably scale up to, as well as the accommodations required, will also be considered by Con Edison.
<b>Benefits and Costs</b>	Total compensation requested by the Respondent, based on the unit cost of the Proposal (\$ / Peak Day Dt of Relief provided by the Proposal), and the relative value of any other net benefits or costs associated with the Proposal. A Benefit Cost Analysis will be applied by Con Edison to the portfolio of solutions to determine the feasibility of implementing the proposed Non-Pipeline Solution in combination with other proposed solutions (see <a href="#">Appendix C</a> ). This assessment will also consider positive and negative electric system impacts, particularly on constrained networks.
<b>Project Risk</b>	The expected ease of project implementation and the expected risks associated with project implementation within the timeframe required for the NPS, including consideration of potential permitting, technology, construction, operating, and other risks that Con Edison, in its sole discretion, believes are applicable to the project.
<b>Qualifications</b>	The relevance of the Respondent’s qualifications, its experience and success in providing similar solutions and working in the New York metropolitan area, and its financial, technical, and other resources. Reference checks and documented results will be used to assess Qualifications.
<b>Community Impacts</b>	The positive or negative impacts that the proposed solution may have on the community in the identified area (i.e., noise, pollution, support for low-income housing, etc.).

### Instructions to Respondent

Respondents are strongly encouraged to submit a Proposal in accordance with the summary instructions outlined in this section, the requirements of the [Non-Pipeline Solutions Requirements](#) section, and such other requirements as may be stated throughout this RFP. Proposals (excluding appendices and attachments) should be no longer than 50 pages. In addition, Respondents are advised that a fully completed **NPS Questionnaire (Attachment A)** must be provided, and that Proposals lacking a

completed **NPS Questionnaire (Attachment A)** may be disqualified. The NPS Questionnaire will not be considered to be part of the requirement that the Proposal is no more than 50 pages.

Respondents are required to submit their bid response through the Company’s Procurement System (“Oracle RFQ System”). Any limitation regarding Respondent’s ability to supply information requested in this RFP (or to support or perform a particular function or service) should be explicitly stated in the Proposal. Any partnership with other solution providers to perform a particular function or service must be explicitly stated.

## RFP Schedule

Below is the expected schedule to be followed for this solicitation:

RFP Solicitation Milestones	Completion Date*
RFP Issued	December 15, 2017
Deadline to submit clarification questions (1 <sup>st</sup> round)	January 15, 2018**
Deadline to become enabled in Con Edison Procurement System	January 24, 2018
Responses to clarification questions published (1 <sup>st</sup> round)	January 29, 2018
Deadline to submit clarification questions (2 <sup>nd</sup> round)	February 5, 2018
Responses to clarification questions published (2 <sup>nd</sup> round)	February 19, 2018
Proposals from procurement-enabled Respondents due	March 1, 2018, 3 PM EDT

\* **Con Edison reserves the right to change any of the above dates.**

\*\* **Con Edison will endeavor to respond to questions submitted prior to January 15 within 2 weeks.**

In order to achieve the Company’s objectives of avoiding the need for incremental pipeline capacity, Con Edison requires a robust portfolio of non-pipeline solutions to be proposed in response to this RFP. If needs described in this RFP are not fully met by the Proposals selected by Con Edison, an additional RFP or RFPs may be issued at a later date to address any residual needs.

## Contact Information and Questions

All Respondents should direct questions during the clarification question timeframe via email to [Non-PipesRFP2017@conEd.com](mailto:Non-PipesRFP2017@conEd.com). All questions and answers deemed essential for the viable submission of a bid response will be publicly posted at <https://www.coned.com/en/business-partners/business-opportunities/non-pipeline-solutions>. Respondent names will be kept confidential.

The Company will have no obligation to evaluate late submissions, nor be responsible in any way for any consequences associated with late submissions. Potential Respondents are encouraged to check Con Edison’s Non-Pipeline Solutions webpage periodically to keep apprised of additional information that may be of interest.



## Proposal Submittal Instructions

All Proposals must be submitted through the Oracle RFQ System on or prior to the due date and time. Respondents who fail to submit submissions by the due date and time will be locked out of the Oracle RFQ System and unable to submit submissions. Therefore, Respondents are encouraged to upload submissions well in advance of the closing time to avoid any potential issues that may occur, including due to unfamiliarity with the Oracle RFQ System, or otherwise. Respondents must take the following actions to ensure acceptance of a Proposal submission:

1. Download this Non-Pipeline Solutions RFP, **NPS Questionnaire (Attachment A)**, and Supplier Enablement Template
2. Become enabled<sup>4</sup> in the Oracle RFQ System by submitting the below items to [Non-PipesRFP2017@conEd.com](mailto:Non-PipesRFP2017@conEd.com)
  - a. W-9 form (version last updated December 2014)
  - b. Supplier Enablement Template (Select **CE Sourcing** under Oracle responsibility field)
3. Receive invitation to respond to the Non-Pipeline Solutions RFP (Formal RFQ response request)
4. Submit response and **fully completed** questionnaire to Con Edison Procurement System

## Proposal Response Format

The response shall include a Proposal and the **NPS Questionnaire (Attachment A)**. All tabs must be completely filled to the best of your ability. The technical proposal response for this RFP shall be submitted as either a Word document or a PDF document, and shall be organized as follows:

Proposal Section	Proposal Section Title
N/A	Cover Letter
N/A	Respondent Checklist
N/A	Table of Contents
1	Executive Summary
2	Proposal
3	Respondent Qualifications and References
4	Assumptions and Exceptions
Separate Document (Excel-based)	Non-Pipeline Solutions Questionnaire (Attachment A)

**Note:** The Oracle RFQ System is only capable of accepting individual documents no larger than 5MB in size. Respondents may find it necessary to split up large documents into multiple smaller files.

<sup>4</sup> If you are already enabled in the Oracle RFQ System as a vendor, email [Non-PipesRFP2017@conEd.com](mailto:Non-PipesRFP2017@conEd.com) to request the Formal RFQ response request.

### Cover Letter

The cover letter shall include the following:

- The legal name and address of Respondent
- The name, title and telephone number of the individual authorized to negotiate and execute the Agreement
- The signature of a person authorized to contractually bind Respondent's organization
- A statement that Respondent has read, understands, and agrees to all provisions of the RFP, or, alternately, indicating that exceptions will be taken to the RFP

### Respondent Checklist

Respondent should provide to the Company the properly completed [Respondent Checklist \(Appendix A\)](#) as part of the Proposal.

### Table of Contents

Include a clear identification of the Proposal by section and by page number as identified above.

### Executive Summary

In this section, Respondent should provide an executive overview and summary of the key features of Respondent's solution. In addition, Respondent should provide the following:

- Company profile information
- Highlight where Respondent has performed industry-specific work that is relevant to the [Non-Pipeline Solutions Project Description](#) and [Solution Requirements](#) identified in this RFP
- Any other information relevant to Respondent's solution for consideration

### Proposal

The Proposal should include a response the [Non-Pipeline Solutions Requirements](#) section above. The following information addresses major areas that shall be included in Respondent's Proposal:

- [Professional Background and Experience with Proposed Solution](#)
- [Proposed Solution Description](#)
- [Detailed Project Plan and Timeline to Implement Solution](#)
- [Detailed Costs Associated with Proposed Solution](#)

Proposals may also identify areas not included in the Requirements that may be beneficial for consideration, along with rationale for why the additional recommendation(s) would better help achieve the required Relief.

### Assumptions & Exceptions

- Respondent should provide a list of assumptions made in developing the response to this RFP that should be considered when evaluating the response
- Respondent should provide a stand-alone section listing any exceptions to the RFP

### Glossary of Terms

Respondent should provide a glossary of terms that is specific to Respondent's solution.

### Non-Pipeline Solutions Questionnaire

Respondent should attach the responses to the **Non-Pipeline Solutions Questionnaire (Attachment A)**, fully completed, with the RFP submittal.

## RFP Terms and Conditions

It is solely the responsibility of each Respondent to ensure that all pertinent and required information is included in its submission. Con Edison reserves the right to determine at its sole discretion whether a submission is incomplete or non-responsive.

Respondents should state clearly all assumptions made with respect to this RFP. In the absence of an explicit statement to the contrary, each Respondent shall be deemed to have agreed with and understood the requirements of this RFP. While Con Edison has endeavored to provide accurate information, Con Edison makes no warranty or representation of accuracy.

Any exceptions to the terms, conditions, provisions, and requirements herein must be specifically noted and explained by Respondent in Respondent's response to this RFP. Con Edison will assume that any response to this RFP expressly accepts all the RFP terms, conditions, provisions and requirements, except as expressly and specifically stated by a Respondent in its response to this RFP.

Respondents agree to keep confidential all information provided by Con Edison in connection with this RFP.

### Qualifications of Respondents

The Company may make such investigation as the Company deems necessary to determine the qualifications of Respondent and proposed subcontractors to perform the work. A Respondent should promptly furnish any information and data for this purpose as may be requested by the Company. The failure of a Respondent to produce timely information and data requested by the Company may provide a basis for rejection of the Proposal.

### Proprietary Information

If a Proposal includes any proprietary data or information that a Respondent does not want disclosed to the public, such data or information must be specifically designated as such on each page on which it is found. Con Edison shall be held harmless from any claim arising from the release of proprietary information by Con Edison not clearly identified as such by a Respondent. Because of the need for public

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accountability, the following information regarding the Proposal shall not be considered proprietary, even if such information is designated as such: pricing terms and non-financial information concerning compliance with RFP specifications.

### **Cost of proposal preparation**

The cost of preparing a Proposal in response to this RFP, including, but not limited to, the cost associated with site visits and preliminary engineering analysis, will not be reimbursed by Con Edison.

### **Right to Reject**

This RFP shall not be construed to create an obligation on the part of Con Edison to enter into any contract, or to serve as a basis for any claim whatsoever for reimbursement of costs for efforts expended by Respondent. Furthermore, the scope of this RFP may be revised at the option of Con Edison at any time, or this RFP may be withdrawn or cancelled by Con Edison at any time. Con Edison shall not be obligated by any statements or representations, whether oral or written, that may be made by the Company, its employees, principals, or agents.

Con Edison reserves the right to accept any Proposal, to reject any and all Proposals, and to waive irregularities or formalities relating to any Proposal if deemed to be in the best interests of the Company. Any such waiver shall not modify any remaining RFP requirements nor excuse any Respondent from full compliance with all other RFP specifications and contract requirements if the Respondent is awarded the contract. Con Edison shall reject the Proposal of any Respondent that is determined not to be a responsible bidder, or whose Proposal is determined by the Company to be non-responsive.

Con Edison reserves the right to withdraw this RFP at any time and for any reason, and to issue such clarifications, modifications, and/or amendments as it may deem appropriate. Receipt by the Company of a response to this RFP confers no rights upon a Respondent, nor any obligations upon the Company.

### **Revision to the RFP**

Con Edison reserves the right to make changes to this RFP by issuance of one or more addenda or amendments and to distribute additional clarifying or supporting information relating thereto. Con Edison may ask any or all Respondents to elaborate or clarify specific points or portions of their submission. Clarification may take the form of written responses to questions or phone calls or in-person meetings for the purpose of discussing the RFP, the responses thereto, or both.

If it becomes necessary to clarify or revise this RFP, such clarification or addendum shall be issued by the Company by letter, email or written addendum to the RFP. Any RFP addendum shall be delivered by hand, certified mail, facsimile, e-mail or delivery by courier service which certifies delivery. Only those respondents that have already received the Proposal documentation directly from the Company will be provided the clarification. Any addendum to, and/or clarification or revision of this RFP shall become part of this RFP and, if appropriate, part of the Agreement that derives from the RFP.

### **Basis of Awards**

Awards with respect to Proposal(s) shall be made to the most responsive and responsible Respondent(s) meeting the specifications, price and other factors considered, as determined by the Company, in its sole discretion. The Proposal evaluation criteria are set forth within this RFP.

### **Duration of the Contract**

The duration of the Agreement will be for a term specified in the project description, commencing upon the completion of construction unless otherwise provided herein. In the event that the Company determines not to proceed with the project, the successful Respondent will be paid in accordance with the amounts as agreed by the Respondent and the Company.

## **Non-Pipeline Solutions Program Agreement**

Awardees are expected to sign the Non-Pipeline Solutions Program Agreement proposed by Con Edison. The current Agreement can be found in [Appendix E](#). Requested commercial terms different than the Program Agreement should be described and justified.

See below for certain items to note in the Agreement, which do not necessarily reflect all of the items that could be important to a given Respondent.

### **Underperformance**

Respondents should note that failure to deliver load Relief committed to as part of any solution may result in liquidated damages to Con Edison as provided for by the contract between Respondent and Con Edison.

### **Security**

Respondents are put on notice that if a Respondent's solution is selected, then Respondent may be required to furnish security to Con Edison that demonstrates, among other things, financial capability to pay liquidated damages in the event that the Respondent fails to provide Relief during the period required.

### **Subcontracting and Assignment**

No portion of the work associated with any project resulting from a successful response to this RFP by a Respondent may be delegated, subcontracted, assigned, or otherwise transferred without the prior written approval of the Company in each case.

## Appendix A: Respondent Checklist

The Respondent must complete and submit the following checklist with its Proposal.

Checklist Item	Initial
REVIEWED ALL RFP DOCUMENTS AND LAWS AND REGULATIONS THAT IN ANY MANNER MAY AFFECT COST, PROGRESS, OR PERFORMANCE	
FULLY COMPLETED PROPOSAL ADHERING TO THE FORMAT PROVIDED WITHIN THIS RFP	
ENABLED IN CON EDISON PROCUREMENT SYSTEM	
FULLY COMPLETED NON-PIPELINE SOLUTIONS QUESTIONNAIRE (ATTACHMENT A)	
<ul style="list-style-type: none"> <li>• Summary</li> </ul>	
<ul style="list-style-type: none"> <li>• Demand / Supply Impacts</li> </ul>	
<ul style="list-style-type: none"> <li>• Financials</li> </ul>	
<ul style="list-style-type: none"> <li>• Additional Review Criteria</li> </ul>	

**NOTE:** FAILURE TO COMPLY WITH RFP PROCESS, INCLUDING COMPLETION AND SUBMITTAL OF ALL THE ABOVE DOCUMENTS ON THE FORMS PROVIDED HEREIN, WILL RESULT IN A REJECTION OF YOUR BID.

By placing my initials in the boxes provided above, I acknowledge having read and that I understand fully all of the requirements, including with regard to each of the documents referenced herein.

RESPONDENT (SIGNATURE):

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RESPONDENT (PRINT NAME):

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DATE:

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## Appendix B: Additional Technology-Specific Information

Con Edison expects to receive varied Demand-side reduction and non-pipeline supply-side solutions from market participants. While the Company welcomes projects different than those listed here, consistent with the [limitations](#) outlined earlier in this RFP, qualifying supply-side measures must inject gas directly into Con Edison's gas system. This section aims to provide additional guidance to inform potential Respondents that may be considering submitting Proposals of the types discussed below.

### Alternative Peak Day supply options

- **Renewable natural gas or biogas**
- **Measures to store natural gas, including distributed CNG or LNG**
- **Programs to deliver distributed CNG or LNG into the Con Edison service territory**
- **Other innovative non-pipeline supply-side solutions**

Con Edison will consider making its property available for projects, subject to availability and negotiation of legal agreements. Applicants should indicate if they would like to use the Company's properties, as well as alternative locations. Specific details on the properties will not be published during the RFP process, but lot size or proximity to distribution system infrastructure are not expected to be an issue. Inquiries about Con Edison properties can be made to [Non-PipesRFP2017@conEd.com](mailto:Non-PipesRFP2017@conEd.com). Con Edison would expect Respondent's to maintain 3<sup>rd</sup> party ownership of the NPS, while leasing land from the Company. This will form an additional component of the Respondent's proposed contractual structure, and Respondents are still responsible to ensure their own permitting requirements are feasible. As a reminder, in terms of other contractual components, such as the duration of contracts, the Company is also open to Respondent's proposing the optimal arrangement from their perspective, and hence passing on the best price possible to Con Edison ratepayers. Inquiries related to interconnection and gas quality should be directed to [Non-PipelineRFP2017@conEd.com](mailto:Non-PipelineRFP2017@conEd.com).

Potential distributed storage projects, including CNG or LNG, may be used by the Respondent for purposes other than providing Peak Day supply to Con Edison, if doing so is consistent with meeting contractual commitments to Con Edison. This could include sales of natural gas to other parties, use of stored natural gas for Respondent's own purposes, or use of stored natural gas to generate revenues from price arbitrage activities during the periods in the year when the NPS is not needed to meet Con Edison's peak demand. Any such arrangements that require cooperation or coordination with Con Edison, must be specified in the contract and cost proposal.

Proposals focused on CNG and LNG should also carefully consider potential permitting issues. For example, there is a [statutory moratorium](#) which prohibits new LNG facilities within New York City, while LNG facilities elsewhere in the state would need to be in compliance with the applicable requirements of National Fire Protection Association standards NFPA 59A ("Standards for the Production, Storage, and Handling of Liquefied Natural Gas (LNG)"), amongst other [LNG permitting](#) conditions. LNG facilities also require New York State Department of Environmental Conservation (DEC) permitting, which typically limits sizes to 70,000 gallons, or around 6,000 Dt. Respondents are responsible for identifying and addressing all such regulations, including, but not limited to the regulations specifically mentioned here.

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For potential renewable natural gas and biogas projects, some factors Respondent's should consider include, but are not limited to, the following:

- **Locational blending/quality issues:** Con Edison needs to maintain quality consistent with historical pipeline receipts and levels of odorant required by New York State. The Company expects such projects to interconnect with high-pressure distribution and require some processing, to mitigate any impacts.
- **Interconnect guide:** Respondent's should refer to the Interconnect Guide for Renewable Natural Gas (RNG) in New York State for guidance related to planning for an interconnect. Biogas and RNG developers can request a copy of this guide from Con Edison.
- **RINS credits:** Respondents can have ownership of RINS credits generated, and should include details on plans to monetize these credits. Other RNG projects have benefited from RINS credits, to a limited extent, because they have operated CNG fueling stations, but it is the Company's understanding that RINS credits can also be claimed for RNG injected into pipelines when customers in another area operate CNG fueling stations.
- **Other revenue streams:** Con Edison expects there to be other revenue streams available for certain projects. This could include tipping fees and compost revenues for RNG (e.g., RNG fees), which may be shared, and Respondents are expected to provide details on such arrangements.
- **Wastewater treatment digesters:** Based on discussions with the City, the following information can be provided about estimated unused biogas at The City of New York's wastewater treatment (WWT) plants in Con Edison's service territory<sup>5</sup>:
  - The City of New York operates 14 WWT plants, five of which are in the Con Ed Service area. All of their WWT plants have anaerobic digesters.
  - Estimated excess biogas at the five WWT plants in Con Edison's service territory is 1.1 MDt/day.
  - For inquiries related to partnering with the City's waste water treatment plants, please contact [RFP@dep.nyc.gov](mailto:RFP@dep.nyc.gov), with "Con Ed RFP" as the subject line.
- **Food waste:** Respondent's should be aware that NYC released [proposed rules](#) earlier this year that would, if enacted, expand organic waste source separation requirements for large commercial food retailers and food service establishments.
  - For inquiries related to the City's food waste opportunities, please contact the NYC Department of Sanitation, [foodwaste@dsny.nyc.gov](mailto:foodwaste@dsny.nyc.gov).
- When working with the City for this RFP, Respondent's should ensure they target facilities in Con Edison's service territory.

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<sup>5</sup> When working with the City for this RFP, Respondent's should ensure they target facilities in Con Edison's service territory.

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### Energy efficiency measures that reduce Peak Day Demand

Important considerations for Respondent's considering proposing energy efficiency (EE) solutions include the following:

- The ability to reduce Peak Day Demand in a reliable, quantifiable and sustainable manner is critical to the acceptance of any proposed energy efficiency NPS options.
- Customers served under interruptible rates, as of the issuance of this RFP, are not eligible to participate. Most industrial and large electric generator customers in Con Edison's service territory are on interruptible rates.
- A separate Enhanced Gas Energy Efficiency Program has been proposed by Con Edison, as outlined in Con Edison's filing of the Smart Solutions for Natural Gas Customers program. Con Edison is seeking action from the New York State Public Service Commission on the Enhanced Energy Efficiency program. Con Edison hopes to launch the program in early 2018. If approved, the program will increase Con Edison's gas energy efficiency program funding from \$14.5 million annually to \$29 million annually. An implementation plan for this parallel program is expected to be available in the first quarter of 2018.
- Respondents will be free to propose also leveraging funding from other programs, including Con Edison's other EE programs, NYSERDA programs, etc. Respondents are required to clearly outline these complementary funding sources in the **NPS Questionnaire (Attachment A)**. Given the variation in value of NPS between different zones, the Company would also be open to an approach that proposed 'regional adders' to existing incentives, set by zone according to the relative value of reduction in that area.
- Information on existing Con Edison energy efficiency programs can be found at the following [website](#). Con Edison encourages Respondents to propose energy efficiency opportunities that go beyond existing programs and will capture incremental savings opportunities.
- Although not a principal focus of this RFP, Respondents are encouraged to describe any positive impacts that their proposed measures will have on summertime electric load, particularly on electric networks that Con Edison has recognized as needing non-wires relief or that have been designated as Locational System Relief Value areas (LSRV). A listing and maps of such areas can be accessed at: [LSRV Filing](#) and [Non-Wires Solutions](#).
- Each Respondent should explain in detail its proposed approach to measuring performance of the solutions to be installed under this RFP. A planned M&V approach, consistent with the International Performance Measurement and Verification Protocol (IPMVP) standard, should also be explained in Respondent's Proposal and related costs should be itemized on the **NPS (Attachment A)**. In general, the performance of larger installations should be monitored for at least one heating season, and mass market installations may be verified through inspections of a limited subset of installations chosen at random. All measures and performance representations

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are subject to independent inspection and review by Con Edison or its agent. Con Edison reserves the right to require revisions to Respondent's M&V plans at any time.

### Measures that convert natural gas or oil applications to electricity or other low carbon fuel sources

- ***Electrification of space heating and/or hot water heating, including installation of geothermal and air-source heat pumps***
- ***Implementation of hybrid heating systems that switch from natural gas to electricity or other low carbon fuel during peak demand periods.***
- ***Conversion to other low carbon space/water heating applications***

Important considerations for Respondent's considering proposing these types of solutions include the following:

- Respondents proposing to replace firm natural gas consumption for space or water heating with electricity or other fuels are strongly encouraged to utilize high efficiency technologies that will not result in increases in greenhouse gas emissions. As discussed in Appendix C, the value of such carbon emissions will be considered during Con Edison's evaluation of proposed solutions.
- To be eligible as part of a Proposal in response to this RFP, high efficiency heat pumps or other electric technologies must operate using electricity on peak Winter Season days. Respondents are encouraged to employ technologies capable of operating efficiently at low temperatures. Proposal submitted in response to this RFP should demonstrate that intended measures can function at the required temperature levels in the **NPS Questionnaire (Attachment A)**.
- NYSERDA also offers incentives for the installation of high efficiency heat pumps and Respondents are allowed to access funding from both programs, as long as the complementary funding sources are outlined in the **NPS Questionnaire (Attachment A)**. Links to two existing NYSERDA's programs are included below, with additional opportunities expected to be launched by them shortly.
  - [Ground Source Heat Pump Rebate](#)
  - [Air Source Heat Pump Program](#)
- Con Edison expects to commence providing rebates for purchases of high-efficiency air-source heat pumps purchased from selected distributors, beginning in March 2018. Further information about the program can be found at: [Con Edison Heat Pump Program](#).
- Respondents are encouraged to investigate Con Edison's electric voluntary time of use rates, and consider all options available when creating Proposals involving conversion to electric heating.
- Although not a principal focus of this RFP, Respondents are encouraged to describe any positive impacts that their proposed measures will have on summertime electric load, particularly on electric networks that Con Edison has recognized as needing non-wires relief or that have been

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designated as Locational System Relief Value areas (LSRV). A listing and maps of such areas can be accessed at: [LSRV Filing](#) and [Non-Wires Solutions](#).

- Con Edison expects to publish two studies by the end of 2017 that may provide Respondent's with additional context on the opportunity at hand. These studies include:
  - A geothermal heating study, which provides some background information on geological suitability, amongst other things.
  - A solar thermal study, which generally did not show cost-effective results. Nonetheless, Con Edison is open to cost-effective deployment in its service territory.

### **Demand response measures that reduce Peak Day natural gas demand**

- ***Thermal energy storage measures***
- ***Other innovative demand response measures***

Important considerations for Respondent's considering proposing demand response (DR) solutions include the following:

- Con Edison is open to Proposals for economic reductions in peak firm gas demand within its service territory. However, customers served under interruptible rates, as of the issuance of this RFP, are not eligible to participate. Most industrial and electric generator customers in Con Edison's service territory are on interruptible rates.
- Respondents should ensure they are proposing a DR solution that achieves net reductions in Peak Day demand for a minimum of at least 5 days to be designated by Con Edison during the Winter Season. Demand reductions during each day will be measured over a 24-hour period. Snapback effects – i.e., shifting of load within the 24-hours period – must be identified and subtracted from the net reductions in Peak Day demand. In addition, since Con Edison requires solutions to be available on three consecutive days, any 'snapback' effect must be delayed for up to 72 hours. The benefit to Con Edison is reduced if snapback effects increase gas consumption above normal levels after the DR period, to make-up for lost heat. Con Edison recognizes that this requirement is different than the goals of many other DR programs, which are focused on helping other utilities address shorter periods of constraint, but there is little value to the Company if a proposed solution shifts consumption between hours in the day without achieving a net reduction over the 24-hour day.
- Proposals that involve aggregation of DR are encouraged to provide the scale, flexibility, and certainty required for the Company to rely on this option. Aggregators are encouraged to outline a plan to acquire and retain participating customers, so that the program can continue over time.
- An estimated schedule for the rollout of natural gas Advanced Metering Infrastructure (AMI) in different regions of Con Edison's service territory is included below:
  - Westchester: October 2017 - December 2019

- Manhattan: July 2018 – June 2022
- Bronx: January 2019 – June 2022
- Queens: July 2019 – June 2022
- A separate, standard Gas Demand Response program (the “standard Gas DR program”) will be launched by Con Edison in Summer 2018, also as part of the Smart Solutions for Natural Gas Customers program, but the Company is open to any and all gas DR proposals (“RFP gas DR”) in this RFP. Details on the future gas DR program are not expected to be available before the closing date of this RFP, however it is expected that the standard Gas DR program will be operated with rolling year-to-year commitments, whereas this RFP includes the option of longer-term contracts for economic DR reductions in peak gas demand that customers may be able to provide Con Edison, and a minimum three year commitment. Other differences between the standard Gas DR program and RFP gas DR proposals that will be considered in this RFP include: the standard Gas DR program will offer a standard payment structure to all participants, while the RFP gas DR allows Respondents to propose performance and participation pricing; the standard Gas DR program will have standard performance requirements for all participants (for example, hours of required performance) while RFP gas DR proposals can propose terms and conditions of performance; and the standard Gas DR program will not include posting of security in case of non-performance, while the RFP gas DR proposals will be subject to a security requirement in case of non-performance. Neither respondents nor individual customer accounts aggregated by a respondent are allowed to receive compensation from the standard Gas DR program during the term of any contract they receive under this RFP.
- Respondents must explain how they intend to control, measure and verify performance of the demand response solutions to be implemented. The details of the proposed baseline methodology, consistent with the International Performance Measurement and Verification Protocol (IPMVP) standard, should be clearly explained. The methodology should take into account the possibility that AMI may not be available. The costs of M&V should be itemized on the **NPS Questionnaire (Attachment A)**. In general, Con Edison expects proposals for demand response solutions to include compensation after performance has been verified. Performance is subject to independent inspection and review by Con Edison or its agent. Con Edison reserves the right to require revisions to Respondent’s M&V plans at any time.

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## Appendix C: Outline of Non-Pipeline Solutions Benefit-Cost Analysis

### Background

A BCA Handbook is being developed to provide a common methodology for calculating benefits and costs of projects and investments related to gas Demand reductions and/or supply-side additions, as an alternative to the development of incremental pipeline capacity. This BCA framework will be used as part of the evaluation of solutions proposed by Respondents to this RFP, and will help ensure that Con Edison maintains a cost-effective portfolio of options. Where appropriate, the BCA approach under development is consistent with the approach used in the electric [BCA Handbook](#) for non-wire solutions (NWS), which was developed jointly by the New York investor-owned utilities to provide consistent and transparent statewide methodologies. A regulatory proceeding and approval of the BCA for NWS, which took place in 2016, provided guidance on the NPS BCA framework. There has not been an equivalent proceeding for the Non-Pipeline Solutions BCA, but where suitable, the NPS BCA framework considers and takes into account the guidance received on the electric-side. This enables the NPS analysis to be as consistent as possible with the approach Con Edison uses in connection with NWS projects.

While the full BCA Handbook is not available<sup>6</sup> at the time of the release of this RFP, the sections below outline the major elements of Con Edison's expected approach, providing a preview to Respondents on how proposed solutions may be valued.

### Two Proposed Baseline Scenarios

The use of Non-Pipeline Solutions is an emerging opportunity and, consequently, the potential of such solutions to resolve fully inter-state pipeline capacity constraints during peak demand periods is still unknown, particularly given the amount of Relief sought through this RFP. As a result, Con Edison is not certain whether sufficient NPS options will be made available to allow Con Edison to avoid or defer the need for new pipeline capacity. If the amount of NPS capacity proposed is insufficient to avoid the need for the new pipeline, the proposed NPS capacity may have value by allowing Con Edison to reduce the amount of other peak period supply options, including delivered service. To manage this uncertainty, Con Edison will have all projects evaluated using the two different baselines defined below.

- A. **Avoided Net Cost of Pipeline:** Baseline Scenario A is the construction of a new pipeline to service Con Edison Service territory (i.e. the "gross" cost of the pipeline), netted from the value of the locational arbitrage opportunity offered by gaining access to lower cost supplies through the new pipeline. Pipeline costs likely would not be incurred until November 2023.
- B. **Avoided Delivered Services Charges:** Baseline Scenario B are expected costs for Delivered Services used by Con Edison to meet Peak Day requirements. Under this scenario, Con Edison would select NPS solutions that can cost-effectively offset Delivered Services charges.

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<sup>6</sup> Expect full draft BCA Handbook to be available early in 2018.

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In both cases, NPS have value to Con Edison, given that the Company would still use short-term Delivered Services contracts even if a new pipeline was built. But in the event that Con Edison is not able to defer the need for new pipeline capacity, the NPS would only reduce the need for Delivered Services. This would reduce the value of the NPS to Con Edison, and could in turn affect which NPS projects are able to be included in a cost-effective portfolio. The current level of reliance on Delivered Services also means there is value to Con Edison if the NPS can be implemented before the November 2023 deadline.

### Cost Effectiveness Tests

The Societal Cost Test (SCT), Utility Cost Test (UCT), and the Rate Impact Measure (RIM) make up the relevant cost-effectiveness tests to be used in the NPS BCA. Each cost test will need to be computed for Baseline A and for Baseline B. The primary cost test is the SCT, which evaluates the net impact of the NPS or pipeline on society as a whole. The UCT cost test evaluates the preliminary impact of the costs incurred from the NPS or pipeline project by the utility. The RIM cost test compares utility costs and utility bill reductions with avoided natural gas and other supply-side resource costs. Both the UCT and RIM tests will play a critical role in identifying projects that may require a more detailed analysis of their impact on the utility and ratepayers. As specified in the order for the NWS BCA<sup>7</sup>, if a measure passes the SCT but its results do not satisfy the UCT and RIM tests, the measure would not be rejected unless a complete bill impact analysis determines that the impact is of a “magnitude that is unacceptable”. This same guideline will be applied for the NPS BCA.

### Net Cost of CO<sub>2</sub> Emissions

The net cost of CO<sub>2</sub> emissions will be taken into account, with the intent to use a common social cost of carbon across all aspects of the BCA. Measures that replace end use natural gas consumption with consumption of other fuels, including electricity, will be evaluated based on their net impact on carbon emissions. Measures that would significantly increase end user consumption of fossil fuels or carbon emissions will not be considered.

### Avoided Cost of On-System Projects

Con Edison will consider whether proposed Measures will enable it to avoid capital projects on its gas system that would otherwise be required to serve forecasted load growth. Con Edison’s capital plans and load forecasts will be used as the basis for determining these avoided costs. A system-wide estimate of the short-term value of such costs can be derived from Con Edison’s most recent marginal cost of service study, which was presented in the Company’s 2016 gas rate filing in New York State Public Service Commission Case No. 16-G-0061.<sup>8</sup>

### Avoided Gas Commodity Costs

The avoided cost of gas commodity resulting from NPS projects will also be taken into account. Because Con Edison relies on a range of different resource types, including firm pipeline capacity, storage, and

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<sup>7</sup> See <https://www.coned.com/-/media/files/coned/documents/our-energy-future/our-energy-projects/coned-bcah.pdf?la=en>

<sup>8</sup> See Exhibit GRP-2 of <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={0E7816C3-0361-4D73-9D4A-86C18811A755}>.

Delivered Services, avoided commodity costs may include a mix of city gate and non-city gate prices. This total value of avoided commodity costs will be higher for projects that provide relief during more days of the winter than those that provide relief only on the minimum number of days.

## Appendix D: Areas of Need by Zip Code

### Expected Value by Zip Code

Zone 1. Highest	Zone 2. Significant	Zone 3. Moderate
10528	10033 10546	10001 10080 10526 11432
10538	10034 10549	10002 10103 10527 11435
10543	10040 10550	10003 10104 10535 11439
10573	10451 10552	10004 10105 10536
10577	10452 10553	10005 10106 10540
10580	10453 10562	10006 10110 10547
10601	10454 10570	10007 10111 10548
10604	10455 10583	10009 10112 10566
10605	10456 10591	10010 10115 10567
10606	10457 10594	10011 10118 10588
10801	10458 10595	10012 10119 10589
10802	10459 10603	10013 10121 10596
10803	10460 10607	10014 10122 10598
10804	10461 10610	10016 10123 11004
10805	10462 10701	10017 10128 11101
	10463 10702	10018 10152 11102
	10464 10703	10019 10154 11103
	10465 10704	10020 10162 11104
	10466 10705	10021 10165 11105
	10467 10706	10022 10166 11106
	10468 10707	10023 10167 11109
	10469 10708	10024 10169 11354
	10470 10709	10025 10170 11355
	10471 10710	10026 10172 11356
	10472	10027 10173 11357
	10473	10028 10174 11358
	10474	10029 10175 11359
	10475	10030 10176 11360
	10502	10031 10178 11361
	10503	10032 10271 11362
	10504	10035 10278 11363
	10506	10036 10279 11364
	10507	10037 10280 11365
	10510	10038 10281 11366
	10514	10039 10282 11367
	10522	10041 10285 11370
	10523	10044 10501 11377
	10530	10045 10505 11423
	10532	10065 10511 11426
	10533	10069 10517 11427
	10545	10075 10520 11428



## **Appendix E: Program Agreement**

## Non-Pipeline Solutions Program Agreement

**Participant Eligibility** The eligible participant hereunder (“Eligible Participant”) is an energy consumer or natural gas supplier identified in this Non-Pipeline Solutions Program Agreement (as amended and in effect from time to time, this “Agreement”) that is the owner, operator, or lessee of a premises located in the natural gas service territory of Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) whose basis of eligibility to participate in the Company’s Non-Pipeline Solutions Program (hereinafter, “Program”) is more particularly provided for below by the “Eligible Participant and Facilities Information” section of this Agreement. Con Edison will determine Program eligibility at its sole discretion in connection with Con Edison’s review process. This Agreement may be completed by an Eligible Participant or by an aggregator or other third party acting on an Eligible Participant’s behalf. (The party completing this Agreement is referred to herein as the “Applicant”.) If the Applicant is a third party that has not provided Customer information below, Con Edison will determine Program eligibility based upon the eligibility of the person or entity identified in Addendum 1.

### Project Requirements

Program incentives will be provided only in respect of projects or portfolios of projects that adhere to all Program Requirements, including the following, unless otherwise specified in Addendum 2:

1. The project may not commence, and existing equipment to be replaced or made unnecessary by the project may not be removed or disconnected, until after the project is accepted by Con Edison, baseline conditions are confirmed, and pre-installation inspections (if required) have been completed.
2. Agreements may be approved for (i) single Eligible Participant projects in which an Eligible Participant's load and project load reduction are clearly identified in the Project Plan, or (ii) a portfolio of projects, the Project Plan for which identifies an aggregate load reduction target and provide detailed analyses thereof to be evaluated and approved by Con Edison, or (iii) a single local supply enhancement, or (iv) a portfolio of local supply enhancements for which an aggregate peak load reduction target has been adopted.
3. The project or identified phases or portions of a project must be installed and operational prior to the applicable Program milestone date(s). The Program milestone date(s) will be identified by Con Edison, agreed to by the parties prior to the project’s commencement, depend upon the project scope and deployment time, and be specified in Addendum 2.
4. All other requirements set forth in this Agreement, including those contained in the terms and conditions section hereof, must be satisfied.

For Program questions, including questions regarding particular projects, please contact Con Edison at [Non-PipesRFP2017@conEd.com](mailto:Non-PipesRFP2017@conEd.com) or visit the Program Website at <https://www.coned.com/en/business-partners/business-opportunities/non-pipeline-solutions>

### Non-Pipeline Solution Details

<b>Project Name</b>	
<b>Location(s) (Zone 1, 2 and/or 3)</b>	
<b>Commencement Date</b>	
<b>Number of Winter Heating Seasons (Nov-Mar)</b>	

**Non-Pipeline Solutions Program Agreement**

**Eligible Participant and Facilities Information**

If not currently provided, must be submitted within 30 days after the date this Agreement is executed fully by the parties unless otherwise agreed at the time of the submission of this Agreement, and when submitted will be attached as Addendum 1.

Firm Gas Account Name <i>(as shown on Con Edison bill, if applicable)</i>		Con Edison Firm Gas Account Number (15 Digits, if applicable)											
Contact Name		Day Phone											
Service Address		Email											
Address 2		Fax											
City	State	Zip	Square Footage				Annual Hours of Operation						
Year Built	Building Type (e.g., Office, Hospital)			Multifamily # of Units			Number of Floors						
<input type="checkbox"/> <b>Multiple Facilities - Check this box for project portfolios consisting of more than one building. Download from Program website the Multiple Facilities Template (the "Template"), complete the Template and submit the completed Template with this Agreement.</b>													

**Applicant Information**

An Applicant may be an Eligible Participant or a third-party authorized to apply for the Program on behalf of an Eligible Participant. If Applicant is an authorized third-party, your information is required below.

Applicant/Company Name													
Contact Name		Day Phone											
Service Address		Email											
Address 2		Fax											
City	State	Zip											
Federal Tax ID													
Check appropriate box: <input type="checkbox"/> Individual/Sole Proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Exempt Payee (Provide Tax Documentation) <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other <input type="checkbox"/> Partnership													

**Payee Mailing Address Information**

<input type="checkbox"/> Any incentive payments should be sent to:													
Attention To													
Payee Name													
Mailing Address													
City	State	Zip											

**Proposed Project Information**

What systems are associated with the proposed project/portfolio?

- |  |  |   |  |
|--|--|---|--|
| <input type="checkbox"/> Building Envelope         | <input type="checkbox"/> Appliances      | <input type="checkbox"/> CNG/LNG Storage  | <input type="checkbox"/> Air-source Heat Pump            |
| <input type="checkbox"/> Heating Plant Replacement | <input type="checkbox"/> Thermal Storage | <input type="checkbox"/> CNG/LNG Delivery | <input type="checkbox"/> Ground-Source Heat Pump         |
| <input type="checkbox"/> Controls                  | <input type="checkbox"/> Demand Response | <input type="checkbox"/> Biogas           | <input type="checkbox"/> Other ( <i>please specify</i> ) |

Proposed Project Summary: (Project details are to be provided in the Scope of Work document for the project.)

<b>Peak Demand Reduction</b> (load reduction or local natural gas supply enhancement in Dt/day - see Definitions)	<b>Total Project Cost (\$)</b>	<b>Other Funding Sources (\$)</b> (e.g., Con Edison or NYSERDA programs)
	<b>Con Edison Contribution Requested (\$)</b>	<b>Other Revenue Streams (\$)</b>

**Estimated Start/Completion Date**

<b>Start Date:</b>	<b>Completion Date:</b>
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## Terms and Conditions

### DEFINITIONS:

Capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed in the Program Requirements.

“Customer” refers to a person or entity that is the customer of record at a premises that receives firm natural gas service from Con Edison.

“Eligible Participant” means the entity or person(s) that owns, operates, or leases a premises at which a load reduction or local supply enhancement will occur in order to provide a Peak Demand Reduction consistent with the Program Requirements and in accordance with the terms and conditions of this Agreement.

“Peak Demand Reduction” is measured in Dt per day and is defined as measures that offset Con Edison’s need for interstate pipeline capacity or Delivered Services during Peak Demand Periods in a manner consistent with Program Requirements through (i) reductions in forecasted firm natural gas load achieved at the premises of an Eligible Participant through individual energy efficiency, demand response and/or other demand-side measures installed or implemented in connection with any given project, and/or (ii) local supply enhancements injecting natural gas directly into Con Edison’s natural gas system without the use of intermediate gas transmission or distribution pipeline transportation.

“Peak Demand Period” shall mean each of five or more 24-hour periods (including three consecutive 24-hour periods) designated by Con Edison and occurring during the Winter Season (November through March) in which Applicant’s project(s) must provide Peak Demand Reductions, consistent with the terms outlined in Addendum 2 of this Agreement and the Program Requirements. Peak Demand Periods will typically be the coldest days of the Winter Season, and may include periods when the average daily temperature falls below 0° F.

“Program Requirements” means the requirements and limitations delineated in the Non-Pipeline Solutions Request for Proposals issued by Con Edison on December 15, 2017, including Attachments and Appendices thereto, and as modified, appended or supplemented by Con Edison, in its sole discretion.

“Project Plan” means the project-specific details and proposals set forth as part of the Proposal submitted by Applicant in response to the Non-Pipeline Solutions Request for Proposals issued by Con Edison on December 15, 2017, including any modifications or supplemental information and materials provided to Con Edison in support of that response.

**ELIGIBILITY:** Unless otherwise approved by the Company,

incentives are available only (i) for permanent and temporary load reduction measures installed at the premises receiving firm gas service from Con Edison or where Con Edison determines, in its sole discretion, that firm gas service is reasonably available from Con Edison, and (ii) to local gas supply enhancements injecting natural gas directly into Con Edison’s gas distribution system. Eligibility shall be subject to the Program Requirements and the terms of this Agreement. Measures installed at an Eligible Participant’s premises will only be eligible for incentives so long as the Eligible Participant remains in good standing with respect to any and all services received from Con Edison, including natural gas, electricity and/or steam service.

### QUALIFICATION FOR INCENTIVES FROM MULTIPLE PROGRAMS:

If a Program project also qualifies for incentives under other programs operated by Con Edison, the New York State Energy Research and Development Authority or other agencies, then the Eligible Participant or Applicant will be permitted to receive funds from such sources provided that the Eligible Participant or Applicant meets the Program’s performance criteria and does not, if applicable, receive greater funds than were actually expended to achieve the Peak Demand Reductions. Eligible Participant and Applicant shall disclose all such awards to Con Edison and are responsible for adherence to the foregoing and for complying with all Program Requirements.

### QUALIFYING PROJECTS:

Projects eligible for Program incentives include new biogas production facilities injecting gas directly into Con Edison’s gas system, CNG/LNG deliveries and storage, gas demand response resources, the installation of gas energy efficiency, and other distributed gas supply and demand management measures identified as eligible and approved by the Company. To qualify, projects must achieve Peak Demand Reductions. Each project’s Peak Demand Reduction must be operational as agreed upon and specified in Addendum 2.

Many of the measures approved for use in this Program achieve Peak Demand Reductions, permanent or temporary, on an ongoing basis and/or for periods beyond the Peak Demand Periods provided for by this Agreement. Such additional demand reduction can benefit customers and the gas system generally. Nevertheless, the primary purpose of this Agreement is to achieve the required Peak Demand Reductions centered on Peak Demand Periods. As a consequence, projects must achieve the required Peak Demand Reductions.

Qualifying Proposals for permanent Peak Demand Reductions may not include any natural gas energy efficiency and demand management measures, equipment or services installed prior to the date of any required pre-installation inspection and/or metering, nor may any existing

## Non-Pipeline Solutions Program Agreement

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equipment be removed prior to such date and re-installed later to act as support for any qualifying project. Incentives for energy efficiency measures are only available for the installation of new or refurbished equipment.

Projects providing local supply enhancements must inject natural gas directly into Con Edison's natural gas system, without the use of intermediate third-party gas transmission or distribution systems and otherwise in accordance with Program Requirements. Local supply enhancements shall be subject to gas quality and composition and interconnection requirements agreed upon with Con Edison. The composition of gas injected into Con Edison's gas system shall be monitored by equipment provided by Applicant or Eligible Participant in a manner described in Addendum 2. Con Edison shall have the right to access, at any time, on reasonable notice, all equipment and records related to such activity.

**ADDITIONAL PERFORMANCE REQUIREMENTS:** Con Edison reserves the right to require Applicants to meet additional performance requirements consistent with Program Requirements or the representations of Applicant regarding the performance benefits of its load reduction or local supply enhancements. For example, Applicant's representations regarding the efficiency or environmental performance of planned measures or their impact on summer electric loads, which may be taken into account by Con Edison when evaluating and selecting project Proposals, may be used as the basis for performance requirements. Any additional performance requirements will be specified in Addendum 2.

**MEASUREMENT AND VERIFICATION:** Impact analyses for individual load relief measures or projects will be calculated based upon the expected Peak Demand Reduction to be provided. Such impact analysis will give consideration to (i) load curves relevant to, and which indicate typical natural gas usage patterns for, the Eligible Participant's facility type, (ii) measures involved in the project, and (iii) approved metering and baseline calculations. Energy efficiency project baseline conditions must be verified by the Company prior to a project's implementation or at the time of the project's commissioning for permanent Peak Demand Reduction. Required measurement and verification for load reductions will be specified in the project's Measurement and Verification (M&V) plan or any applicable program rules. The Company will work with Applicant (and the Eligible Participant, if different) to determine and deploy the appropriate required verification process.

The volumes of natural gas injected into Con Edison's gas system by a local supply enhancement project must be metered using equipment provided by Applicant or Eligible Participant in accordance with standards specified by Con Edison. Con Edison shall have the right to access, at any time, on reasonable notice, all equipment and records related to such activity.

**TERM:** All obligations under this Agreement will continue through the end of March of the final Winter Season identified above as part of the "Non-Pipeline Solution Details" box ("Term"). A project's installed measures must remain operationally available until the date(s) specified in Addendum 2. Planned maintenance or down times are required to be scheduled for times that occur outside the Peak Demand Periods and the project's required load reduction or local supply enhancement operating periods.

**INCENTIVE AMOUNTS:** The basis for determining the amount of incentives for which qualifying projects are eligible will be mutually agreed upon by the Company and Applicant, giving consideration to the Peak Demand Reduction goals and expected performance of the project. The Company's determination of any applicable incentive amount shall be final. Incentive amounts may be reduced to reflect additional energy project incentive awards by the Company and City, State or Federal governmental agencies not identified in this Agreement. Applicant understands that projects funded through the Program shall not be eligible to receive compensation through the Company's Gas Innovation program or Gas Demand Response programs, both of which are described in Con Edison's September 29, 2017 Petition to the New York State Public Service Commission regarding the Smart Solutions for Natural Gas Customers initiative (Case No. 17-G-0606).

**AGREEMENT AND REQUIRED DOCUMENTATION:** Eligible Participants seeking to participate in the Program must submit a completed, signed Agreement, together with all relevant documents for the project, and also post security in accordance with the requirements set forth herein.

**AGREEMENT PACKAGE REVIEW AND INSPECTION:** The Company will review all Agreements and accompanying information for eligibility, completeness, and accuracy. The Company may conduct an on-site inspection or pre-installation metering of the applicable facility's existing equipment and systems. If a proposed project does not meet Program criteria, the Company will so notify Applicant and the Agreement will be rejected. Any necessary, pre-installation inspection and measurement and verification must be completed to validate baseline conditions before Applicant installs qualifying equipment in order to qualify for incentives. Any failure by Customer/Applicant to allow Con Edison or its authorized representative timely access for such purpose will result in Program ineligibility and non-payment of incentives. The Company reserves the right to reject any estimate of energy savings, Peak Demand Reduction, or project cost submitted by Applicant. Applicant acknowledges that the estimated incentive amount included in any incentive offer is an estimate only; the actual incentive amount payable upon project completion will depend upon the verified Dt per day of Peak Demand Reductions achieved. Further, the

## Non-Pipeline Solutions Program Agreement

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Company shall be entitled to seek a full or partial refund of incentives paid (1) if, at any time prior to the end of the final Winter Season identified as part of the Non-Pipeline Solution Details box, the Company learns that the project was not actually or properly installed, or no longer meets the Peak Demand Reductions as stated in this Agreement (subject to agreed-upon normal degradation), or (2) upon the occurrence of any other event or circumstance constituting a breach of this Agreement by Applicant (or Customer, if different). See "Underperformance" below.

**INSTALLATION TIME LIMITS:** All projects must be installed and operational before the milestone dates specified in the Projects Requirement section of this Agreement. Failure to meet approved deadlines will result in the forfeiture of further payments pursuant to the milestone payment schedule agreed upon in the Project Plan prior to project commencement or the payment by Applicant (or Customer, if different) to Con Edison of certain liquidated damages. See "Underperformance" below.

**PEAK DEMAND REDUCTION GUARANTY:** Applicant guarantees that the load reduction or local supply enhancement measures provided for in this Agreement, when installed, will: (1) achieve at least the number of Dt per day of required Peak Demand Reduction contracted for, (2) be located at the physical address(es) specified in the Project Plan or, if not so specified, at the premises of Eligible Participants identified in this Agreement, (3) achieve the required Peak Demand Reductions, and (4) be operationally available through the date specified in Addendum 2 and any applicable program rules, or, if not specified, through the end of March of the final Winter Season identified as part of the Non-Pipeline Solution Details box (the foregoing clauses (1) through (4) being collectively referred to herein as the "Peak Demand Reduction Guaranty"). Applicant's participation in the Program and receipt of incentive payments is conditioned upon the truth and accuracy of its Peak Demand Reduction Guaranty and the performance of its obligations hereunder.

**REPORTING (IF APPLICABLE, PER ADDENDUM 2):** If applicable, Applicant will submit regular and consistent progress reports to Con Edison as specified in Addendum 2. Project progress reports, if required, shall: (1) detail activities in progress, and identify sold and installed projects, as applicable, (2) specify forecasted Peak Demand Reductions, program costs, customers acquired, Peak Demand Reduction actually achieved, and progress towards goals, and (3) provide other information at such times and in such format as mutually agreed upon, in writing, by Con Edison and Applicant prior to the project's commencement.

**MEASUREMENT AND VERIFICATION:** M&V protocols for each project will be established and agreed upon in an M&V plan or as provided in applicable program rules. M&V must

be completed by the Company or an independent third party that has no current or prior relationship with Applicant (or, if different, Customer). For permanent load reduction measures, at minimum, an M&V plan, pre-M&V report (documenting baseline conditions), and post-M&V report (reflecting the load reductions or local supply enhancements achieved following measure implementation) will be included with the Agreement package, for review and approval by Con Edison.

**INCENTIVE PAYMENTS ARE DEPENDENT UPON MEASUREMENT AND VERIFICATION:** The incentive amount is based upon the project's actual Peak Demand Reductions achieved as documented by each project's agreed upon M&V activities. Accordingly, the amount of the incentive payment may be lower than the amount of incentive contribution requested in this Agreement (which is based upon project estimates). Performance data from the project will be reviewed and verified as established in the M&V plan for the project before the final incentive payment is determined. Payment amounts will be adjusted based upon the actual Peak Demand Reductions verified by the Company. The Company reserves the right to make a reasonable number of pre- and post-installation visits to Customer's facility, upon reasonable advance notice and at mutually agreeable times. Incentive checks will be issued for each milestone achieved after verification of the performance of all installations specified in the milestone and receipt of all proper invoices related thereto.

**PAYMENT:** The Program is a "pay for performance" program. Con Edison will pay, at the agreed upon payment terms, only for Peak Demand Reductions that are verified. In the case of local supply enhancements, Con Edison may also agree to provide compensation for the additional volumes of natural gas injected into its gas system.

**UNDERPERFORMANCE; BREACH OF PEAK DEMAND REDUCTION GUARANTY:** Applicant acknowledges that Con Edison's agreement to pay Applicant (or Customer, if different) the incentive amounts is contingent upon the truth and accuracy of Applicant's Peak Demand Reduction Guaranty, its other representations and warranties herein, and the performance by Applicant (and Customer, if different) of its obligations hereunder. Accordingly, if Applicant shall fail to achieve at least ninety percent (90%) of the Dt per day of required Peak Demand Reduction ("Peak Demand Reduction Underperformance" or a "Peak Demand Reduction Guaranty Breach"), then Applicant shall be obligated (without limiting Con Edison's other rights and remedies under this Agreement, at law or in equity), immediately upon the occurrence of such Peak Demand Reduction Guaranty Breach and demand therefor by Con Edison, to render payment to Con Edison by check or wire transfer of immediately available funds, as liquidated damages and not as a penalty, of the amount specified below for each Peak Demand Reduction period day (or

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portion thereof) between the applicable Program milestone date and the operational availability end date specified for the project (or final Winter Season identified as part of the Non-Pipeline Solution Details box, if no operational availability end date is specified) that the Peak Demand Reduction Guaranty Breach continues. The parties acknowledge and agree that the amount of damages that Con Edison would suffer as a result of the occurrence and continuation of a Peak Demand Reduction Guaranty Breach would be substantial and difficult to calculate with certainty and that the amount specified below (as adjusted as provided below) reasonably approximates the damages that Con Edison would actually suffer. In addition, in the event of Applicant's breach, Con Edison shall be entitled to terminate this Agreement in whole or in part, effective upon notice, and shall be relieved of any responsibility to pay further incentive amounts (Applicant hereby releasing and forever discharging the Company from any and all losses, liabilities, claims, costs and expenses resulting from Applicant's failure to receive such incentive payments in accordance with the foregoing).

Liquidated damages shall be payable by breaching Applicants for each Dt per day of Peak Demand Reduction Underperformance at the rate equal to the higher of (i) \$14, and (ii) three times the midpoint price for Transco Z6 (NY) as set forth in Platts "Gas Daily" for the day(s) in which the breach(es) occurred; provided, however, that liquidated damages shall be limited to five instances of Peak Demand Reduction Underperformance per Winter Season and shall not, in total for any Winter Season, exceed an amount equal to the total incentive to be paid to the Applicant under this Agreement divided by the number of Winter Seasons occurring during the Term of this Agreement (the "Liquidated Damage Amount"). Such amounts shall be escalated by the increase in Consumer Price Index – All Urban Consumers, published by the U.S. Department of Labor, compounded monthly, from January 1, 2018 to the date of the Peak Demand Reduction Breach(es). Con Edison shall provide written notice to each breaching Applicant, notifying Con Edison of a breach of the Peak Demand Reduction Guaranty and the Liquidated Damage Amount payable by Applicant. In the event that any funds are due to a breaching Applicant at the time of such notice, Con Edison will have the right, but not the obligation, to offset amounts that would otherwise be due and payable to Applicant against such Liquidated Damage Amount due from Applicant. If Con Edison elects to apply such set off, then the written breach notice for payment issued by Con Edison will so specify such application and the remaining amounts, if any, owing. The Applicant will have five (5) business days following receipt of such notice within which to render payment of the Liquidated Damage Amount (or net payment demanded), after which time Con Edison shall have the right to draw upon the Letter of Credit (or, if a cash collateral is provided, proceed against that security) to collect the same. In the event that any Letter of Credit has been drawn against, the Applicant shall restore the original

amount of the Letter of Credit within thirty (30) days. If the Applicant fails to furnish the required security in the required amount within such period, then such failure shall constitute a default under this Agreement and shall permit Con Edison, upon two (2) business days' notice to the Applicant, to draw any and all amounts remaining under the Letter of Credit, terminate Applicant from further participation in the Program and/or bar Applicant from future participation in Con Edison programs and auctions, without limiting Con Edison's other rights and remedies at law or in equity. Con Edison reserves the right to notify other funding entities, including the New York State Energy Research and Development Authority, of such termination.

Any changes or exceptions to these underperformance provisions are as set forth in Addendum 2. No changes or exceptions from these provisions shall be valid unless they are documented in an Addendum 2, fully executed by both parties.

### **SECURITY AGAINST UNDERPERFORMANCE:**

Applicant will be required to furnish security to Con Edison that demonstrates, among other things, Applicant's financial capability to pay liquidated damages in the event the Applicant fails to satisfy its Peak Demand Reduction Guaranty during the period required by this Agreement.

The security provided shall be in an amount equal to (i) 30% of the total incentive to be paid to the Applicant and (ii) \$67 per Dt per day of demand reduction contracted for, whichever is less.

Unless a Guarantee is permitted to be and is provided hereunder (meeting the requirements set forth herein), such security shall be in the form of cash collateral or an irrevocable standby letter of credit, in substantially the form set forth as **Exhibit A** hereto or otherwise in form and substance acceptable to Con Edison (the "Letter of Credit"), from an issuing U.S. commercial bank or U.S. branch of a foreign bank ("Issuer") that, in either case, (i) has counters for presentment and payment located in the City of New York or accepts requests to draw via fax, and (ii) has a rating assigned to its senior unsecured long term debt obligations not supported by third party credit enhancement or a rating assigned to it as an issuer rating (a "Credit Rating") of at least (x) "A-" by Standard & Poor's Rating Services ("S&P") and "A3" by Moody's Investors Service, Inc. ("Moody's"), if rated by both S&P and Moody's or (y) "A-" by S&P or "A3" by Moody's, if rated by either S&P or Moody's, but not both ("Minimum Credit Rating"). The Letter of Credit shall permit drawings upon a statement from Con Edison certifying that the amount of the drawing is owed to Con Edison pursuant to this Agreement, shall require the Issuer to honor requests to draw within two (2) Business Days, and shall have an expiration date no earlier than sixty (60) days after the date Applicant satisfies all of its obligations under this Agreement (the "Required LC Expiration Date"). Should the Letter of Credit have an expiration date prior to the Required LC Expiration Date, and Applicant shall fail to cause a



## Non-Pipeline Solutions Program Agreement

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substitute Letter of Credit to be furnished to Con Edison at least thirty (30) days prior to the expiration date of the initial Letter of Credit, such failure shall constitute a default under this Agreement and shall permit Con Edison to draw thereupon. Similarly, if the Issuer should fail to maintain the Minimum Credit Rating at any time during which the Letter of Credit is required to be posted (*i.e.*, a “Downgrade Event”) and Applicant fails to cause a substitute Letter of Credit to be furnished to Con Edison within two (2) Business Days (or, if the Issuer still has a Creditworthy Rating despite suffering a Downgrade Event, within three (3) Business Days) after Con Edison has provided written notice to Applicant demanding such substitute Letter of Credit, such failure shall constitute a default under this Agreement and shall permit Con Edison to draw thereupon. For purposes hereof, “Creditworthy Rating” means a Credit Rating of at least (i) “BBB- (not on Credit Watch)” by S&P and “Baa3 (not on Credit Watch)” by Moody’s, if such entity is rated by both S&P and Moody’s or (ii) “BBB- (not on Credit Watch)” by S&P and “Baa3 (not on Credit Watch)” by Moody’s, if such entity is rated by either S&P or Moody’s, but not both. “Credit Watch” means a negative ratings outlook by S&P or Moody’s, sometimes referred to as “Negative Watch”, “Credit Watch”, “Negative, for Potential Downgrade” or “Negative Outlook”.

The parties recognize that the nature of each project and the circumstances of each Applicant will vary. Any further provisions concerning the security to be posted by Applicant hereunder are set forth in Addendum 2, as mutually executed by the parties.

**USE OF SECURITY:** Con Edison may draw upon the security and/or exercise any and all rights in respect of such security as provided in this Agreement and in the security instrument.

**TAX LIABILITY AND CREDITS:** The Company is not responsible for any taxes that may be imposed on Customer (or Applicant, if different) as a result of projects installed or incentives received under this Program. Applicants may wish to consult a tax advisor regarding any tax consequences of this offer. Each Applicant (and Eligible Participant, if different) must provide to Con Edison its valid Federal Tax Identification Number and a W-9 form. The party receiving the incentive payment will be issued an appropriate Federal Tax Form concerning the incentive payment.

**REMOVAL OF EQUIPMENT:** As a condition of participation in the Program, Applicant and Eligible Participant, if different, agree that any and all project-related removal and disposal of equipment or materials will be conducted at its sole cost and expense and in accordance with all applicable laws, rules, and regulations.

**DISPUTES:** The Company will have sole discretion to

determine the final resolution of any and all issues pertaining to the Program, including, but not limited to, project eligibility, Peak Demand Reduction achieved, and incentive amounts payable.

**PROGRAM CHANGES:** The Company reserves the right to modify or terminate this Program at any time, with or without notice, and without any liability to Applicant or Eligible Participant except as expressly stated herein. The Company will honor all written commitments made prior to the date of any such modification or termination, provided that the project is fully completed and/or applicable milestones have been achieved by the time required hereby or thereby and all other requirements specified herein or therein are satisfied.

**PROGRAM EXPIRATION:** Enrollment for this Program will end at the end of the summer of the final year identified as part of the Non-Pipeline Solution Details box, when funds are depleted, or when the Program is terminated, whichever occurs first.

**INSTALLATION REQUIREMENTS:** Applicant and Eligible Participant (if different) assume sole responsibility for all installation work. Applicant and Customer acknowledge that all work must comply fully with all applicable laws, rules, and regulations.

**DISCLAIMER:** Applicant and Eligible Participant each acknowledge and agree that their submission of this Agreement and, if applicable, participation in the Program, are completely voluntary. Applicant and Eligible Participant further acknowledge and agree that neither the Company nor its affiliated entities nor their respective trustees, directors, officers, shareholders, employees, contractors, agents or representatives shall be liable to Eligible Participant or Applicant or to any other person or entity for any claim, charge, complaint, cause of action, damage, loss, agreement or liability of any kind or nature whatsoever, whether known or unknown and whether at law or in equity, arising out of, related to or in connection with (a) any project undertaken or attempted to be undertaken by Eligible Participant, including, without limitation, the removal of, installation of, or use of any equipment, load reduction or demand response measures in connection with the Program, (b) the review, rejection or approval of this Agreement, any worksheets, attachments or addendums by the Company or its contractors or representatives, or (c) the determination of the total incentive amounts due to Eligible Participant or Applicant.

**NO REPRESENTATIONS OR WARRANTIES:  
NEITHER THE COMPANY NOR ITS  
CONTRACTORS, REPRESENTATIVES OR  
AGENTS MAKE ANY REPRESENTATION OR  
WARRANTY OF ANY KIND (WHETHER ARISING  
BY IMPLICATION OR BY OPERATION OF LAW)**

**WITH RESPECT TO THE PROGRAM, ANY PROJECT, THE ADEQUACY OF ANY PROJECT DESIGN OR PLAN OR ENERGY EFFICIENCY OR DEMAND MANAGEMENT MEASURE OR ANY EQUIPMENT, CONSTRUCTION OR INSTALLATION OF EQUIPMENT OR THE AMOUNT OF INCENTIVES TO BE PAID WITH RESPECT TO A PROJECT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OR REPRESENTATIONS AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER. THIS PROVISION SHALL SURVIVE THE EXPIRATION, TERMINATION OR CANCELLATION OF THIS AGREEMENT AND THE PROGRAM AND ANY PARTICIPATION THEREIN BY APPLICANT (AND CUSTOMER, IF DIFFERENT).**

**LIABILITY LIMITATION: IN NO EVENT IS THE COMPANY OR ANY OF ITS CONTRACTORS, REPRESENTATIVES OR AGENTS RESPONSIBLE TO APPLICANT OR CUSTOMER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, REGARDLESS OF WHETHER THOSE DAMAGES WERE FORESEEABLE.**

**RELEASE; INDEMNIFICATION:** To the fullest extent permitted by law, Eligible Participant and Applicant each, on behalf of themselves and any other person or entity claiming by and through either of them, hereby irrevocably and unconditionally releases and forever discharges, and agrees to defend, indemnify, and hold harmless the Company, its affiliated entities, and their respective contractors, past, present and future officers, directors, trustees, shareholders, employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties"), from and against, any and all claims, charges, complaints, causes of action, damages, losses, costs, interest, and liabilities of any kind or nature whatsoever, including reasonable attorney's fees, court costs, costs of experts and costs of investigation, whether known or unknown and whether at law or in equity arising from, related to or in any way connected with the (a) Applicant's or Eligible Participant's participation in the Program, including, without limitation, the removal of any equipment or the design, installation or performance of any energy efficiency or demand management measure or equipment, or (b) Eligible Participant's or Applicant's Agreement to participate in the Program (whether accepted or rejected). Accordingly, the Company recommends that all Applicants (and Eligible Participants, if different) consider engaging qualified engineers or other qualified consultants

to evaluate the risks and benefits of participation in the Program and the implementation, operation or use of any project or measure on energy consumption, cost savings, or the operation of Customers' facilities. Applicant (and Eligible Participant, if different) understands that this Agreement may not be approved if the Company determines that the proposed project does not meet the requirements of the Program. Applicant (and Eligible Participant, if different) understands that final payment of any incentive amounts is contingent on satisfaction of all terms and conditions of the Program.

**GOVERNING LAW - JURISDICTION AND VENUE:** The validity, construction and performance of these terms and conditions shall be governed by and construed and enforced in accordance with the law of the State of New York, without regard to its conflicts of law provisions. Eligible Participant and Applicant irrevocably submit and agree to the jurisdiction of the state and federal courts of the State of New York situated in New York County in any action, suit or proceeding related to, or arising out of this Agreement and, to the extent permitted by applicable law, Customer and Applicant each waives and agrees not to assert as a defense in any such action, suit or proceeding any claim (a) that Eligible Participant or Applicant are not personally subject to the jurisdiction of such courts of the State of New York, (b) that the venue of the action, suit or proceeding is improper, (c) that the action, suit or proceeding is brought in an inconvenient forum; or (d) that the subject matter of these terms and conditions may not be enforced in or by such courts of the State of New York. Without prejudice to any other mode of service or process, Applicant and Eligible Participant each consents to service of process relating to any such proceedings by personal or prepaid mailing in registered or certified form of a copy of the process to Customer and/or Applicant at its address set forth in this Agreement.

**SEPARATE COUNSEL: THIS AGREEMENT IS A LEGAL DOCUMENT.** Before submitting this Agreement and participating in the Program, Applicant (and Eligible Participant, if different) is encouraged to retain legal counsel to review the terms and conditions of this Agreement and to advise it regarding its rights and obligations hereunder and under the Program.

**SEVERABILITY:** If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions are in no way affected or impaired. The remaining provisions remain in full force and effect and the invalid, illegal or unenforceable provision will be deemed stricken from the agreement. If necessary to effectuate the intent of the agreement, the parties will cooperate to reach a mutually acceptable provision which is valid, legal, and enforceable to replace the stricken provision.

## Non-Pipeline Solutions Program Agreement

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**NOTICES:** For coordination purposes, any notice or other communication, including a change of address or of the person to be notified (but not including invoices or routine correspondence relating to performance of the Services) given under this Agreement to any party must be in writing and must be sent by hand or overnight mail service, or registered or certified United States mail, return receipt requested, to the attention of the parties at the respective addresses set forth below:

to the Company: Consolidated Edison Company of New York, Inc.  
4 Irving Place, 10<sup>th</sup> Floor NW  
New York, NY 10003  
Attn: Director of Energy Efficiency and Demand Management

with a copy to: Consolidated Edison Company of New York, Inc.  
4 Irving Place, Room 1800  
New York, NY 10003  
Attn: Deputy General Counsel

to the Applicant

Attn:

with a copy to:

Attn:

**HEADINGS:** The descriptive headings used in this Agreement are for purposes of convenience only and do not constitute a part of this Agreement.

**MODIFICATION; AMENDMENT OR SUPPLEMENT:** This Agreement, together with all documents and other materials delivered pursuant hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings, written or oral, with respect to such subject matter. Any modification, amendment or supplement to this Agreement shall not be valid or enforceable against either party unless it is in writing and signed on behalf of both parties by their respective duly authorized representatives.

**NON ASSIGNMENT:** Neither this Agreement, nor any part or the whole of any project arising hereunder, and to include no part or the whole of any work associated with any project, may be assigned, delegated, subcontracted, or otherwise transferred by Applicant and/or Eligible Participant without the prior written approval of the Company in each case.

**COUNTERPARTS:** This Agreement may be executed in two (2) or more counterparts, each of which, taken together, shall be deemed to be an original, but all of which shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature were an original thereof.

Agreement Requirements (Please Check Both)
<input type="checkbox"/> Yes, I have provided a detailed Scope of Work document (SOW) and baseline requirements. <input type="checkbox"/> Yes, I have signed the Program Agreement. <p>To ensure that your Agreement package is processed in a timely manner, please make sure that you submit all of the documentation below:</p> <ol style="list-style-type: none"> <li>1. Completed Program Agreement</li> <li>2. Signed Addendum 2 – If no changes check box on top of Addendum 2.</li> <li>3. Scope of Work, including all relevant information.                             <ul style="list-style-type: none"> <li>- Cut Sheets for all equipment, including technical data and testing laboratory information</li> <li>- Project Schedule (Including estimated Start/Completion Dates on Page 2)</li> <li>- W-9 Form</li> <li>- Proposed Cost Estimates</li> <li>- Completed Multiple Facilities Template (if applicable)</li> </ul> </li> </ol>

Agreement and Signature (Required for all Agreements)		
<p>I certify that all statements made in this Agreement and required documents provided are true and correct to the best of my knowledge. I agree to the terms and conditions of the Program set forth in this Agreement. <b><i>A signature is required from the Eligible Participant or Applicant, if different. (An Applicant may be an Eligible Participant or a third-party authorized to apply for the Program on behalf of an Eligible Participant identified on Page 1 of, or in Addendum 1 to, this Agreement.)</i></b></p>		
Eligible Participant Name <i>(please print)</i>	Eligible Participant Signature	Date
Applicant Name <i>(please print)</i>	Applicant Signature	Date
Con Edison Authorized Representative	Signature	Date

**Addendum 2: Proposed Modifications to the Non-Pipeline Solutions Program Agreement Standard Terms, Additional Project Plan Details, Additional Scope of Work Details, and Additional Specifications:**

(Please reference the section of the Program Agreement, Project Plan, Scope of Work or other document appended to the Program Agreement when providing information in this Addendum. If there are no changes to the Program Agreement and no additional details or specifications included in this Addendum, check the box below and sign the Addendum where indicated.)

No changes have been made to the Non-Pipeline Solutions Program Agreement and no Addendums or other documents have been appended to it.

<b>Eligible Participant Name (please print)</b>	<b>Eligible Participant Signature</b>	<b>Date</b>
<b>Applicant Name (please print)</b>	<b>Applicant Signature</b>	<b>Date</b>
<b>Accepted by Con Edison Representative (please print Name and Title)</b>	<b>Con Edison Signature</b>	<b>Date</b>