Updated Non-Low to Moderate Income Energy Efficiency and Building Electrification Implementation Plan

January 15, 2026

Case 25-M-0248

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1.0 Introduction

Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") submits this update to its Non-Low-to Moderate Income ("Non-LMI") Energy Efficiency and Building Electrification Implementation Plan ("Non-LMI EE/BE Plan" or "Plan") as instructed by the Director's Letter[1] regarding the Non-LMI EE/BE portfolios dated November 21, 2025. The Company filed its preliminary plan on July 14 in accordance with the New York State Public Service May 15 Order Authorizing Non-LMI Portfolios for 2026-2030 ("Non-LMI Order").[2] The Director's Letter covered all of the Preliminary Implementation Plans submitted on July 14 by utility Program Administrators across the state and found them "generally compliant" while offering further guidance on both a generic basis to all Program Administrators and utility-specific items. The Non-LMI Order authorized approximately $1.68 billion in Non-LMI EE/BE portfolio funding for Con Edison to implement energy efficiency and building electrification programs across its service territory during the 2026 – 2030 program cycle.

The Company is committed to advancing energy efficiency and building electrification ("EE/BE") and looks forward to continuing to deliver programs that support New York State's climate and decarbonization goals while delivering meaningful benefits to customers throughout New York City and Westchester County.[3] As the Company looks ahead to this next phase of program implementation, it will build on over fifteen years of experience to design and deliver EE/BE programs that reflect the strategic direction set forth by the Commission. These efforts, in support of the goals codified in the Climate Leadership and Protection Act ("CLCPA"), reflect a prioritized focus on energy efficiency and building electrification measures within the Non-LMI Order's Strategic Framework, long-term decarbonization efforts, and the Company's commitment to empowering its customers to meet their climate goals.

This updated Plan has been developed in alignment with guidance provided by Department of Public Service Staff ("DPS Staff") and is intended to support continued coordination between the Company and DPS Staff, and transparency for stakeholders. Further revisions may be warranted following Commission action on the Company's January 15, 2026 Regional Weatherization filing.

This document is structured into discrete sections:

- Section 2.0 presents Commission authorized Non-LMI budgets and targets and offers breakdowns of those budgets and targets by Sub-Portfolio and Sector based on the Company's model of the Portfolio. In addition, the section offers projections of non-incentive spend by category, including Company staffing levels.
- Section 3.0 offers a qualitative and quantitative look at the Company's program offerings by sector for customers, including eligibility, incentive structures and sector-specific implementation strategies
- Section 4.0 describes the Company's oversight framework, including quality assurance and measurement and verification processes
- Section 5.0 summarizes planned outreach and engagement efforts, including collaboration with NYSERDA, utility partners, and other stakeholders to support successful program delivery
- Section 6.0 provides an overview of how the Company plans to recover the total cost of its EE/BE portfolio via the System Benefits Charge ("SBC").

[1] Case 25-M-0248, In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios (EE/BE Proceeding), Preliminary Non-LMI EEBE IP Compliance Letter at 4 (dated November 21, 2025).

[2] Case 14-M-0094 et al., Order Authorizing Non-Low-to Moderate Income Energy Efficiency and Building Electrification Portfolios for 2026-2030 (issued and effective May 15, 2025)

[3] Our Clean Energy Commitment. Available at https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment. Accessed July 6, 2025

2.0 Portfolio Overview

The Non-LMI Order established the budgets and targets and associated rules for the Non-LMI Portfolio over the 2026-2030 period. These guardrails and goals provide the foundation for planning how programs will be delivered and how spending, savings, and resources will be distributed across the Portfolio's sectors and Sub-Portfolios. Consistent with the Director's Letter, this updated plan incorporates revisions to the portfolio, including capping weatherization spending for 2026 at 2025 levels, removing retail products program offerings, and limiting midstream offerings to heat pump water heaters.

Sections 2.1 – 2.3 below offer insight into the structure of the Company's Non-LMI Portfolio to align with the budgets, targets, and delivery expectations set forth in the Non-LMI Order, including planned support for Disadvantaged Communities and alignment with the Strategic Framework.

2.1 Portfolio Projections

This section offers a set of output tables that summarize the Company's current planning assumptions, based on Commission-authorized budgets and targets and populated using templates provided by DPS Staff. Together, they offer insight into spending and achievement projections by fuel, Sub-Portfolio and sector. The broader EE/BE Portfolio consists of three Sub-Portfolios: Weatherization, Building Electrification and Other EE. The Non-LMI Order sets out Portfolio-level budgets and targets and a Regional Weatherization budget and target for planning purposes for each Program Administrator in Appendices C and D. This Plan adopts those budgets and targets for the Regional Weatherization Program without modification. All further sectoral and Sub-Portfolio allocations represent the Company's projections as of the date of this Plan, which are compliant with the structure of the Portfolio the Non-LMI Order and Director's Letter requires. The Company anticipates regularly adjusting the Portfolio to meet changing market conditions.

In August 2025, the Company submitted a Regional Weatherization Program filing in conjunction with National Grid for the Downstate regions. There is uncertainty stemming from future Commission action, including its timing and substance with respect to budgets, targets and Portfolio allocation rules for the Downstate Regional Weatherization Program. Thus, further Commission action on the Downstate Regional Weatherization Program may necessitate an update to this plan.

At the highest level, Table 1 summarizes average annual and five-year total gas and electric budgets and lifetime MMBtu equivalent ("LMMBtu-e") savings for weatherization and all other EE/BE measures across the entire Portfolio for 2026-2030.

Table 1: Commission Authorized Budget and Targets by Sub-Portfolio

Fuel-Type	Sub-Portfolio	PSC Authorized Average Annual Non-LMI Portfolio Budget	PSC Authorized Average Annual Non-LMI Portfolio Savings Target (LMMBtu-e)	PSC Authorized Non-LMI Portfolio Budget: 2026-2030	PSC Authorized Non-LMI Portfolio Target: 2026-2030
Electric	Regional Weatherization[4]	$60,955,603	5,904,850	$304,778,015	29,524,250
	Electrification/Other EE[5]	$216,831,391	16,329,855	$1,084,156,955	81,649,275
Electric Total		**$277,786,994**	**22,234,705**	**$1,388,934,970**	**111,173,525**
Gas	Regional Weatherization[3]	$28,069,266	2,926,299	$140,346,330	14,631,495
	Electrification/Other EE[4]	$30,351,268	5,622,142	$151,756,340	28,110,710
Gas Total		**$58,420,534**	**8,548,441**	**$292,102,670**	**42,742,205**
Grand Total		**$336,207,528**	**30,783,146**	**$1,681,037,640**	**153,915,730**

Table 2 breaks the Company's EE/BE Portfolio into projected annualized performance by Fuel Type and Sub-Portfolio consistent with the updated Companion Template filed on January 15, 2026. The Company has allocated savings attributed to the Company's Regional Weatherization Program by fuel based on the relative share of the funding each fuel contributes as outlined in Appendix C of the Non-LMI Order. This approach continues throughout this Plan. Further detail regarding the Regional Weatherization Program can be found in the updated Downstate Regional Weatherization Proposal filed January 15, 2026.

Table 2: Forecasted Annual Savings by Fuel Type and Sub-Portfolio (LMMBtu-e in 000s)

Fuel Type and Sub-Portfolio	2026	2027	2028	2029	2030	Grand Total
Electric	**19,050**	**22,852**	**22,599**	**25,499**	**29,304**	**119,304**
Electrification	13,769	14,211	11,055	11,964	13,201	64,200
Other EE	5,082	5,192	5,394	5,627	5,899	27,194
Weatherization	199	3,449	6,150	7,908	10,204	27,910
Gas	**4,789**	**5,209**	**6,404**	**7,201**	**8,239**	**31,841**
Other EE	3,411	3,725	3,759	3,800	3,850	18,546
Weatherization	1,378	1,483	2,645	3,401	4,388	13,296
Grand Total	**23,839**	**28,060**	**29,002**	**32,700**	**37,543**	**151,145**

[4] The Non-LMI Order specifies that gas and electric utilities must spend a minimum of 50% and 25% respectively of their program budgets on residential and multifamily weatherization at p. 25.

[5] The Non-LMI Order also specifies that building electrification cannot exceed 50% of the electric utilities' program budgets at p. 25

Table 2 is a counterpart to Table 3. Where Table 2 focused on achievement, measured in savings, Table 3 breaks the Company's EE/BE spending into projected annualized amounts by fuel type and Sub-Portfolio.

Table 3: Forecasted Annual Spending by Fuel Type and Sub-Portfolio ($000s)

Fuel Type and Sub-Portfolio	2026	2027	2028	2029	2030	Total
Electric	**$214,696**	**$255,121**	**$261,991**	**$301,695**	**$355,431**	**$1,388,935**
Electrification	$150,271	$152,473	$125,238	$136,207	$150,980	$715,169
Other EE	$62,320	$63,652	$67,376	$71,174	$75,675	$340,198
Weatherization	$2,105	$38,996	$69,378	$94,313	$128,775	$333,568
Gas	**$33,817**	**$43,472**	**$58,000**	**$70,160**	**$86,653**	**$292,103**
Other EE	$22,515	$26,701	$28,163	$29,599	$31,271	$138,248
Weatherization	$11,303	$16,771	$29,837	$40,561	$55,382	$153,854
Grand Total	**$248,514**	**$298,593**	**$319,992**	**$371,856**	**$442,084**	**$1,681,038**

As presented in Table 3 the Company projects an increase in spend on an annual basis over the 2026-30 period as Program activity shifts to focus on building electrification and weatherization.

The Company's projected annualized performance is further subdivided by Fuel, Sector and Sub-Portfolio in Table 4 and Table 5 below, respectively. These tables build upon the sub-portfolio totals presented above and reflect program savings and spending forecasts across customer segments over the program period.

Table 4: Forecasted Annual Savings by Sub-Portfolio and Sector (LMMBTU-e in 000s)

Sector and Sub-Portfolio	2026	2027	2028	2029	2030	Grand Total
Electric	**19,050**	**22,852**	**22,599**	**24,499**	**29,304**	**119,304**
Electrification						
Residential	6,277	6,204	2,521	2,853	3,236	21,091
Multifamily	4,698	4,935	5,181	5,458	5,898	26,170
C/I/I	2,794	3,072	3,353	3,653	4,068	16,939
Electrification Total	13,769	14,211	11,055	11,964	13,201	64,200
Other EE						
Multifamily	540	615	700	796	906	3,557
C/I/I	4,542	4,578	4,694	4,831	4,993	23,637
Other EE Total	5,082	5,192	5,394	5,627	5,899	27,194
Weatherization						
Residential	116	582	814	1,018	1,272	3,802
Multifamily	83	2,867	5,336	6,890	8,932	24,108
Weatherization Total	199	3,449	6,150	7,908	10,204	27,910
Gas	**4,789**	**5,209**	**6,404**	**7,201**	**8,239**	**31,841**
Other EE						
Multifamily	1,889	1,909	1,908	1,906	1,905	9,517
C/I/I	1,522	1,816	1,851	1,894	1,945	9,029
Other EE Total	3,411	3,725	3,759	3,800	3,850	18,546
Weatherization						
Residential	214	250	350	438	547	1,799
Multifamily	1,164	1,233	2,295	2,963	3,841	11,497
Weatherization Total	1,378	1,483	2,645	3,401	4,388	13,196
Grand Total	**23,839**	**28,060**	**29,002**	**32,700**	**37,543**	**151,145**

Table 5: Forecasted Annual Spending by Sub-Portfolio and Sector ($000s)

Sector and Sub-Portfolio	2026	2027	2028	2029	2030	Grand Total
Electric	**$214,696**	**$255,121**	**$261,991**	**$301,695**	**$355,431**	**$1,388,935**
Electrification						
Residential	$65,177	$64,355	$30,976	$35,708	$41,205	$237,421
Multifamily	$48,998	$46,617	$48,708	$50,843	$54,502	$249,667
C/I/I	$36,097	$41,501	$45,554	$49,656	$55,273	$228,080
Electrification Total	**$150,271**	**$152,473**	**$125,238**	**$136,207**	**$150,980**	**$715,169**
Other EE						
Multifamily	$5,629	$6,480	$7,572	$8,779	$10,171	$38,631
C/I/I	$56,691	$57,172	$59,804	$62,395	$65,504	$301,567
Other EE Total	**$62,320**	**$63,652**	**$67,376**	**$71,174**	**$75,675**	**$340,198**
Weatherization						
Residential	$1,498	$13,375	$19,213	$24,455	$31,105	$89,645
Multifamily	$607	$25,622	$50,165	$69,859	$97,671	$243,923
Weatherization Total	**$2,105**	**$38,996**	**$69,378**	**$94,313**	**$128,775**	**$333,568**
Gas	**$33,817**	**$43,472**	**$58,000**	**$70,160**	**$86,653**	**$292,103**
Other EE						
Multifamily	$10,394	$10,663	$10,951	$11,161	$11,367	$54,536
C/I/I	$12,120	$16,038	$17,212	$18,438	$19,904	$83,712
Other EE Total	**$22,515**	**$26,701**	**$28,163**	**$29,599**	**$31,271**	**$138,248**
Weatherization						
Residential	$2,750	$5,752	$8,263	$10,517	$13,377	$40,659
Multifamily	$8,553	$11,019	$21,574	$30,044	$42,005	$113,195
Weatherization Total	$11,303	$16,771	$29,837	$40,561	$55,382	$153,854
Grand Total	**$248,514**	**$298,593**	**$319,992**	**$371,856**	**$442,084**	**$1,681,038**

Table 6 presents an annualized view of forecasted annual program spending by fuel and budget category, splitting off incentives for projects from other costs, including Implementation, Marketing, Labor, Evaluation, Measurement and Verification, and non-labor administration.

Table 6: Forecasted Annual Spending by Budget Category ($000s)

Fuel Type	Incentives & Services	Sum of Implementation, Marketing & Labor	Non-Labor Administration	EM&V	Total
Electric	**$1,119,065**	**$249,731**	**$15,631**	**$4,507**	**$1,388,935**
2026	$164,773	$46,532	$2,721	$669	$214,696
2027	$201,652	$49,774	$2,917	$778	$255,121
2028	$210,531	$47,434	$3,117	$910	$261,991
2029	$246,488	$50,881	$3,315	$1,010	$301,695
2030	$295,621	$55,109	$3,561	$1,140	$355,431
Gas	**$230,901**	**$55,402**	**$4,194**	**$1,605**	**$292,103**
2026	$24,583	$8,383	$616	$236	$33,817
2027	$33,635	$8,867	$702	$268	$43,472
2028	$45,557	$11,260	$861	$323	$58,000
2029	$56,224	$12,620	$952	$364	$70,160
2030	$70,901	$14,272	$1,064	$416	$86,653
Grand Total	**$1,349,966**	**$305,133**	**$19,826**	**$6,113**	**$1,681,038**

The Company's plan calls for relatively flat staffing levels from 2026-30. Table 7 provides a breakdown of Company Non-LMI EE/BE staffing levels allocated by fuel for the 2026-30 period. The Company's labor budgets include both full-time employees and other contracted support. However, those staffing plans, including both the number of employees and contractors, can shift in response to market conditions and program delivery efficacy or further Commission action regarding the Downstate Regional Weatherization proposal. Many of the Company's employees work on both the LMI and Non-LMI portfolio. For explanatory purposes, those functions have been allocated to estimate a staffing level for both the LMI and Non-LMI Portfolio.

The relative shift in full-time equivalent (FTE) count from electric to gas results is an outcome of the growth of the weatherization Sub-Portfolio. The Company allocates FTE to fuel by matching funding levels, and over the course of the five years, weatherization spending increases as a share of the portfolio, and weatherization makes up a higher share of the gas budget than it does for electric.

Table 7: Forecasted Full-Time Equivalent Headcount by Year

Year	Electric	Gas	Total
2026	99	17	116
2027	97	18	115
2028	97	20	117
2029	99	20	119
2030	100	20	120

The Non-LMI Order introduced a money-out-the-door ("MOTD") metric to compare spending on incentives and services to customers to backend program implementation costs including labor, administration, EM&V and other support. The Non-LMI Order directs PAs to maximize MOTD with a minimum target of 80 percent over the course of the five-year 2026-30 period. As illustrated in Table 8, the Company's forecasted 2026-30 portfolio meets the minimum prescribed level of 80%.

Table 8: Money Out the Door Forecast by Year ($000s and share)

Year	MOTD	MOTD as % of Total Spend
2026	$189,356	76%
2027	$235,287	79%
2028	$256,088	80%
2029	$302,712	81%
2030	$366,522	83%
Grand Total	$1,349,966	80%

2.2 Disadvantaged Communities

The Company has a demonstrated record of achievement in delivering clean energy benefits to disadvantaged communities ("DACs") with its combined EE/BE Portfolio, including both LMI and Non-LMI-focused programs. In 2024, 54% of EE/BE spending and 57% of total energy savings (benefits) were attributed to DACs. There is variance in the share of spend and savings in DACs by Sub-Portfolio and sector. For example, among building electrification projects, 43% of the energy savings were in DACs in residential projects as were 64% of savings from multifamily projects. Midstream water and space heating programs also performed well, with 82% of program incentive spending and 56% of energy savings attributed to DACs.[6] At the same time, other program areas have seen more limited DAC participation. The 1-4 family residential weatherization program, which historically focused on gas customers, achieved only 20% of its 2024 savings in a DAC, due in part to the composition of the Company's natural gas service territory.

The Company's Non-LMI EE/BE portfolio model uses historic Program performance in DACs as an input. On a portfolio level, the Company projects exceeding the CLCPA minimum of 35% and target of 40% of investments in DAC with a Portfolio spend and savings in DACs near 48% of overall incentive investment. Sectoral projections of DAC investment, absent further interventions, for the 2026-2030 EE/BE Portfolio are presented in Table 9.

Table 9: Projections for Non-LMI EE/BE Incentive Investment in DAC by Sector

Sector	Estimated share of investment in DAC
Residential	45%
Multifamily	70%
Small Biz	50%
C&I	15%
Total	48%

To complement and enhance the Company's historic success driving EE/BE project uptake in DACs, the Company will identify and, in consultation with Staff, implement targeted strategies to serve DACs. As discussed in the Director's Letter, the Company will work with Community Based Organizations ("CBOs"),

[6] 2024 Disadvantaged Communities Report, filed May 30, 2025, in compliance with the Commission's July 20, 2023 Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements in Cases 22-E-0064 and 22-G-0065.

including the NYSERDA Regional Clean Energy Hubs ("Hubs"), to identify opportunities and refine programmatic approaches to serve DACs' needs.

For example, to complete more EE/BE projects in DACs, the Company will undertake complementary sets of activities: increased incentives and Program design adjustments, closer coordination with NYSERDA's Clean Energy Hubs, and more targeted approach to outreach and engagement. The Company's DAC outreach and engagement strategy will emphasize the following areas and actions:

- **Targeted Outreach**
  The Company will use program participation and pipeline data to identify priority customer segments and facility types in DACs across all Non-LMI sectors.

- **CBO Lead Generation and Project Acquisition**
  The Company has experience leveraging relationships outside of implementation contracts with CBOs to generate LMI EE/BE project leads. The Company will investigate the feasibility of applying this experience to develop similar partnerships with CBOs operating in DACs to support lead generation to complete projects for its Non-LMI EE/BE programs. The CBOs may help identify potential customers, facilitate introductions, support customer engagement and, potentially, early-stage project development to establish trust with hard-to-reach DAC customers who may otherwise be hesitant to participate.

The Company will assess areas where its Non-LMI program delivery models work well and where additional focus can help advance lead generation and EE/BE project completion in DACs. Historically, the Company has used both targeted outreach and increased incentives, known as DAC adders, and reviews program performance continually against targets and policy objectives to adjust its offering based on achievement and customer feedback. For example, in 2025, Clean Heat offered a DAC adder for residential projects; over 50% of Clean Heat projects were located in a DAC.

The Company has coordinated with the NY Utilities and NYSERDA to explore and advance opportunities for engagement with the Clean Energy Hubs. The Company plans to schedule, in coordination with the other utility Program Administrators, Hubs, and NYSERDA, a regular cadence of virtual and/or in-person meetings with the Hubs in its territory. This series will provide a forum to share information and insight about Programmatic and related activity. The Company expects that as part of its management of the Hub network, NYSERDA will participate and help facilitate implementation of any process improvements.

Since some Hubs serve customers in overlapping utility service territories, the Company will coordinate with other utility Program Administrators to manage the Hub relationships. The Company convened an initial meeting of the Hubs in its territory in December 2025.

2.3 Strategic Framework

In the July 2023 Order Directing Proposals,[7] the Commission adopted a Strategic Framework, which it upheld in the Non-LMI Order with some modifications and clarifications. Strategic measures and programs generally fit into four categories:

1. permanently reduce electric or gas use,
2. permanently reduce or eliminate electric or gas usage on a peak-hour or peak-day basis
3. improve a building envelope which results in reduction in gas or electric usage while also lowering winter peak in the event the building is electrified; or
4. permanently reduce or eliminate fossil fuel usage through the installation of efficient building electrification.

[7] Order Directing Energy Efficiency and Building Electrification Proposals ("Order Directing Proposals"), Case 14-M-0094 and Case 18-M-0084; Issued and effective July 20, 2023 at p. 34

Non-Strategic measures are those that do any of the following: “jeopardize” the achievement of Strategic measures, increase the usage of fossil fuels, have an effective useful life (“EUL”) of six years or less, result in more energy consumed through increased operation of the measures or are naturally occurring energy efficiency including that spurred by codes and standards or market adoption absent incentives. Neutral measures do not advance nor impede Strategic programs or measures but produce overall reductions in energy usage and do not have any characteristics of Non-Strategic measures.

In the Non-LMI Order, the Commission added clarity to allowable Building Electrification projects, and adopted definitions for Full Electrification, Partial Electrification, Phased Electrification and Hybrid Electrification. It prohibited incentives for Partial and Hybrid systems. However, Phased Electrification approaches are allowed in the multifamily and commercial sectors. Lighting, plug-in appliances and behavioral programs, are generally defined as Non-Strategic.[8] Section 3.1of this plan includes clarifications and interpretations of the Phased definition. Section 3.4 of this plan includes criteria for incentives for gas devices.

The Non-LMI Order requires that at least 85% of Portfolio spending support Strategic measures, with no more than 15% of spending on Neutral measures. The Company’s modeling presented throughout this Plan has constructed a Portfolio where spending and savings are both composed of ~99% Strategic measures based on an initial categorization of measures. The Non-LMI Order required an updated Management Plan for the New York State Technical Resource Manual (“TRM”) to be filed by August 13, 2025. The Company, in coordination with other Program Administrators through the TRM Management Committee (“TRM MC”) filed Version 13.1 of the Management Plan on August 13. The TRM MC issued Version 13 of the TRM on December 12, 2025, effective January 1, 2026 with all measures categorized in accordance with the Strategic Framework.

3.0 Program Description, Design and Implementation

The Company’s Non-LMI programs serve customers across Residential, Multifamily, Small Business and Commercial and Industrial sectors within its service territory. Eligible measures and savings methodologies are generally based on the most recent version of the TRM.[9] The Company’s Programs are evaluated to confirm or as appropriate, modify, savings.

The Company generally requires that project applications be submitted by an approved Participating Contractor (“PC”). However, both the multifamily and C&I programs allow customers to apply directly. Specific PC enrollment requirements will be given in Program Manuals.

Generally, incentives are intended to lower up-front costs to customers of energy efficiency and building electrification projects and in no cases can they exceed project costs. Non-LMI incentive caps vary by program and sector between 50% and 70% of project costs. Some Programs and sectors have allowances for customers in DAC, where incentives can cover up to 85% of project costs. In sectors other than non-residential ground source heat pump (“GSHP”), incentives are also currently capped at $1 million per building. The Company may adjust incentive caps as the Programs and market conditions evolve in the next five years.

Program manuals will contain a complete set of Program rules. These rules include incentive levels and caps, equipment and project eligibility rules, and application, inspection and disciplinary processes.

To support consistent and effective implementation, the following sections outline cross-cutting design elements that apply across the Company’s programs.

[8] Non-LMI Order P84

[9] https://dps.ny.gov/technical-resource-manual-trm

3.1 Phased Electrification Criteria

As specified in the Non-LMI Order, Phased building electrification projects that do not meet 100% of the building's heating load in non-residential sectors are eligible for incentives and will be treated as Strategic measures. Custom projects that do not electrify an entire building will be treated as Phased if they meet the following two conditions:

1. Include new equipment that uses electricity and one or more of the following sources of heat: geothermal heat exchanger, air-source heat pump, or recovered waste heat.
2. Permanently reduce fossil fuel or district steam use for space, water, or process heating.

Projects may permanently reduce fossil fuel or district steam use, together "legacy systems," either by disabling or disconnecting the heating equipment or system, or through the application of controls.

A sample listing of project types that do not electrify all of a building's heating needs but which the Company considers Phased and Strategic is below:

1. Projects that electrify a specific area (*e.g.*, floor, wing);
2. Projects that electrify a specific system (*e.g.*, space heating, DHW or ventilation only);
3. Heat recovery systems;
4. Buildings with hydronic internal distribution systems for space heating that electrify a central legacy heating plant in stages. As a result, there will likely be heat pumps working to heat the hydronic loop alongside legacy fossil equipment;
5. Ground-source heat pump projects that connect separate spaces to a shared borefield in stages;
6. Projects that electrify less than 100% of a building's domestic hot water heating load with a central plant.

Generally, buildings with hydronic distribution systems that exclusively heat their water loop with fossil or steam boilers without the addition of new heat pump equipment will not be eligible for building electrification incentives.

Projects in buildings which fully electrify their space or water use, but maintain backup fossil systems to comply with requirements for resilience or reliability, as in the case for hospitals or other critical facilities, will be treated as Strategic.

3.2 Domestic Hot Water in New Construction

The Non-LMI EE/BE Order notes that "in general" given advances in codes and standards, Program Administrators should refrain from offering incentives for new construction projects. Two major pieces of legislation relevant to the Company's territory, New York City's Local Law 154[10] (LL154) and New York State's All Electric Building Act[11] (AEBA), which was an element of the 2023 State budget, phased in requirements for all-electric new construction. LL154 applies only to space heating until July 2, 2027, at which point it adds requirements for domestic hot water heating. With some exceptions, the AEBA requires that all new buildings under seven stories after January 1, 2026 use all electric new construction, and all buildings after 2029 do so. Under this phased timeline, there are still buildings in the Company's service territory that will be constructed which would otherwise use fossil systems for heating domestic hot water. Until these codes are fully in effect, the Company proposes that it continue to offer incentives for projects which electrify domestic hot water heating through its midstream HPWH Program or for projects that integrate wastewater heat recovery. The Company will work with the NYSERDA Codes and Standards team to refine this approach in its territory.

[10] NYC.gov. "Local Law 154: Building Electrification." https://www.nyc.gov/site/buildings/codes/ll154-building-electrification.page

[11] S4006c/A3006c. Available at: https://legislation.nysenate.gov/pdf/bills/2023/A3006C

3.3 Electrical Upgrades and Service Adequacy

All Con Edison customers have a responsibility, outlined in the Company's tariff to communicate changes in load, so that the Company can provide safe, adequate electric service. Consistent with this requirement, as of the date of this Implementation Plan filing, Con Edison requires that all non-residential building electrification projects confirm that they have adequate service before receiving incentives from the Company's EE/BE Program. The Company plans to integrate service adequacy requirements into the program design for Residential Clean Heat as well. Customers that are not service adequate must coordinate with the Company to complete any necessary upgrades. The Company will contribute data and field experience to the assessment the Commission requires DPS Staff to submit on this topic in the Non-LMI Order.[12]

3.4 Criteria for Gas Combustion Equipment

The Non-LMI Order allows Program Administrators to offer incentives for gas combustion equipment in the multifamily and C&I sectors if such measures are combined with comprehensive controls with a significant efficiency gain over the minimum required standard at replacement. To meet the standard of "significant efficiency gain" the Company suggests that equipment must be at least 5% more efficient than required by code. The Non-LMI Order further directs the Company to identify "appropriate use cases" and the level of funding for such measures in this Plan.

The Company proposes two sets of criteria, one related to building characteristics and one related to building uses, for buildings to be eligible for incentives for new gas combustion equipment.

Building Characteristics

A building that meets all three of the following criteria would be eligible for incentives for new gas combustion equipment:

- Built before 1979
- Uses steam for internal distribution of space heating
- Has at least 25 apartments or 25,000 square feet of conditioned space
- Alternatively, a building can demonstrate that it has specific limitations (e.g. spatially or structurally) that prevent it from adopting full-load space heating technology.

Building Use Cases

A building can qualify for gas combustion incentives if they meet either of the cases below.

1. Building uses that require high temperature process heat
2. Specific uses identified as exempt from the draft requirements for all electric new construction, notably a building used as critical infrastructure, in a building or part of a building used as a hospital or other medical facility, or for generation of emergency back-up power or standby power. Critical facilities shall follow the definition in the NYS energy code and include a building, or portion thereof used for any of the following:
    a. Public mass transit facility used for emergency evacuation;
    b. Public utility facility or other power-generating station required as emergency backup facility for Risk Category IV structures, as indicated in Chapter 16 of the 2024 BCNYS;
    c. Storage of materials defined in the 2024 FCNYS to be a health hazard where such materials would be a threat to the general public if released;
    d. Aviation control tower, air traffic control center, and emergency aircraft hangar;
    e. National defense function;
    f. Emergency management facility;
    g. Wastewater treatment facility;

[12] Non-LMI Order, P91

h. Water treatment and pumping facility; or
i. Flood control and pumping facility

Buildings that meet the criteria as eligible for incentives for new gas combustion equipment will also be eligible for incentives that support systems that provide Phased electrification solutions even if they do not meet the full design day space heating requirements.

The Non-LMI Order further conditions that the level of funding to support incentives for new gas combustion equipment is not to exceed the proportional level they occupied in the previous funding period. The Company calculates that such incentives composed ~2.2% of total portfolio spending in 2023-2025. Extrapolating to the 2026-30 period, spending on such incentives should not exceed a total of $37M or on average, $7.4M annually. The Company's projected incentive spending for eligible projects is shown in Table 10 below.

Table 10: Incentive Spending for Gas Combustion Equipment by Sector and Year ($000s)

Sector	2026	2027	2028	2029	2030
Multifamily	$625	$644	$663	$683	$703
C&I	$975	$1,004	$1,034	$1,065	$1,097
Total	$1,600	$1,648	$1,697	$1,748	$1,801

Given the close collaboration the Non-LMI Order envisions between Downstate Program Administrators, including shared responsibility for the Regional Weatherization Program and the LMI Multifamily Program, the Company will work with National Grid to refine these criteria over time as policy, programs, technology and market conditions evolve.

3.5 Targeted Demand Management

In addition to the core EE/BE program offerings, customers located in targeted areas may also be eligible to participate in the Company's Non-Wires Solutions ("NWS") Program or Non-Pipes Alternative ("NPA") Program. As of the date of this Implementation Plan, there is an active NWS territory in Jamaica, Queens, and surrounding areas. The Company coordinates on internal operations of the EE/BE Portfolio and NPA/NWS. In general, total incentives cannot exceed the cost of the installed measures.

3.6 Residential

The Con Edison Non-LMI EE/BE residential program will be composed of two related offerings: building weatherization and building electrification. The plan for residential building electrification, known as Clean Heat, which includes both air-source heat pumps ("ASHP") and GSHP, was detailed in the Clean Heat Implementation Plan filed September 2, 2025 and approved by DPS Staff on November 21, 2025. The Clean Heat Program Manual was filed on December 12, 2025.

Weatherization will be different across two time periods. On August 13, 2025, the Company, in partnership with National Grid, filed an initial proposal describing the Downstate Regional Weatherization offering which includes the Residential and Multifamily Weatherization offerings; an update is scheduled for January 15, 2026. Following Commission action, the two Companies will run the Regional Weatherization Program together. Until such time as the Commission acts on the Company's Regional

Weatherization filing, the Company will continue to run its existing residential weatherization program, Weather Ready.

Weather Ready is the Company's current weatherization offering for Con Edison electric and gas customers. Under current rules, to be eligible for Weather Ready incentives, customers must use Con Edison gas or electric for heating, or use delivered fuel for heating, and have a Con Edison electric account. Weather Ready uses a downstream model, similar to Clean Heat, where contractors offer incentives as an instant discount to customers for measures such as attic, wall and crawlspace insulation, air sealing and duct sealing. Qualifying projects must include air sealing along with one insulation measure. Customer incentives vary by heating type (fossil vs. heat pump), location (inside or outside a DAC) and building size by number of dwelling units.

In its November 21, 2025 letter conditionally approving the Program Administrators' Non-LMI EE/BE Implementation Plans, DPS Staff did not approve the Retail Products offering proposed as part of the Non-LMI EE/BE portfolio and Regional Weatherization Program. Accordingly, the Company has removed Retail Products measures from this revised Implementation Plan. The exclusion of Retail Products reduces the overall savings potential of the Non-LMI Portfolio, since these measures would have contributed incremental energy savings and broadened customer participation.

The tables below reflect projected energy savings and anticipated incentive spending for residential building electrification and weatherization. Electric measures and associated projected savings by year are included in Table 11. Gas measures and associated savings are in Table 12.

Table 11: Residential Electric Savings by Measure Category and Year (LMMBtu)

Measure Category	2026	2027	2028	2029	2030
Building Electrification	6,276,795	6,204,104	2,520,585	2,853,364	3,235,699
Weatherization	116,397	581,517	814,124	1,017,655	1,272,069
Total	6,393,192	6,785,621	3,334,709	3,871,019	4,507,767

Table 12: Residential Gas Savings by Measure Category and Year (LMMBtu)

Measure Category	2026	2027	2028	2029	2030
Building Electrification	0	0	0	0	0
Weatherization	213,682	250,092	350,129	437,661	547,076
Total	**213,682**	**250,092**	**350,129**	**437,661**	**547,076**

Residential electric incentive spending by year and measure category is in Table 13 while gas incentive spending by year and measure category is in Table 14. The Non-LMI Order mandates that the Residential Building Electrification Program known as Clean Heat institute a requirement for all projects to be weatherized at a level to be defined in future plans by March 1, 2028. This requirement lowers achievement in the Company's Program forecast by roughly half from 2027 to 2028.

Table 13: Residential Electric Incentive Spending by Measure Category and Year($000s)

Measure Category	2026	2027	2028	2029	2030
Building Electrification	$48,844	$48,994	$24,000	$28,028	$32,782
Weatherization	$920	$10,894	$15,710	$20,226	$26,041
Total	$49,764	$59,888	$39,710	$48,255	$58,823

Table 14: Residential Gas Incentive Spending by Measure Category and Year ($000s)

Measure Category	2026	2027	2028	2029	2030
Building Electrification	$0	$0	$0	$0	$0
Weatherization	$1,689	$4,685	$6,756	$8,699	$11,199
Total	$1,689	$4,685	$6,756	$8,699	$11,199

3.7 Multifamily

Con Edison's Multifamily EE/BE Programs[13] serve existing multifamily residential building(s) with five or more units in each building that receive electric and/or gas delivery from Con Edison. The Program offers incentives to projects that reduce usage of electricity and or gas; the Program may also incentivize secondary savings from Con Edison district steam or another delivered fuel. New construction buildings are not eligible for the Program.

The Non-LMI Order created a Regional Weatherization Program which the Company will run in concert with National Grid's KEDNY gas unit across the Company's electric territory. The Companies will collaborate on the Regional Weatherization proposal due on August 13, 2025 which may include updates to budgets, targets, and describe the apportionment of savings, implementation approaches and potential incentive structures of the new Program. The Company will update this Plan after Commission action on this proposal.

Measures and Incentive Design

The Multifamily program offers incentives for measures which can be divided into building electrification, weatherization, and other energy efficiency. The tables below reflect projected energy savings and anticipated incentive spending across strategic and neutral measures. Electric measures and associated projected savings by year are included in Table 15. Gas measures and associated savings are in Table 16.

[13] Information in this Plan is limited to Non-LMI Multifamily buildings. The Company included comparable information for income-qualified buildings in the forthcoming Statewide Low-and Moderate Income Implementation Plan, which was filed on October 31, 2025 and is scheduled to be updated on January 30, 2026.

Table 15: Multifamily Electric Savings by Measure Category and Year (LMMBtu)

Measure Category	2026	2027	2028	2029	2030
ASHP	3,708,040	3,522,638	3,346,506	3,179,181	3,020,222
Fuel Switch	567,000	567,000	567,000	567,000	567,000
Other	540,000	614,647	699,612	796,323	906,402
Building Envelope	82,629	2,867,443	5,335,628	6,890,443	8,932,063
Total	4,897,669	7,571,728	9,948,746	11,432,946	13,425,687

Table 16: Multifamily Gas Savings by Measure Category and Year (LMMBtu)

Measure Category	2026	2027	2028	2029	2030
Gas Devices	160,200	160,200	160,200	160,200	160,200
Other	1,728,825	1,748,821	1,747,458	1,746,096	1,744,736
Building Envelope	1,164,460	1,233,195	2,294,682	2,963,359	3,841,394
Total	3,053,485	3,142,216	4,202,340	4,869,655	5,746,330

Multifamily electric incentive spending by year and measure category is in 17 while gas incentive spending by year and measure category is in Table 18.

Table 17: Multifamily Electric Incentive Spending by Measure Category and Year ($000s)

Measure Category	2026	2027	2028	2029	2030
ASHP	$30,668	$26,221	$24,910	$23,665	$22,481
Fuel Switch	$3,424	$3,527	$3,633	$3,742	$3,854
Other	$4,140	$4,854	$5,690	$6,671	$7,821
Building Envelope	$472	$20,681	$40,705	$57,642	$81,996
Total	$38,704	$55,283	$74,938	$91,719	$116,152

Table 18: Multifamily Gas Incentive Spending by Measure Category and Year ($000s)

Measure Category	2026	2027	2028	2029	2030
Gas Devices	$625	$644	$663	$683	$703
Other	$5,622	$5,869	$6,041	$6,217	$6,399
Building Envelope	$6,652	$8,894	$17,506	$24,790	$35,264
Total	$12,900	$15,407	$24,209	$31,690	$42,366

The Multifamily Program offers incentives for both prescriptive and custom measures. The Prescriptive Path includes measures listed in the TRM and have set incentive rates from Con Edison. The Custom Path includes eligible measures that are not listed in the New York State Technical Resources Manual or measures/applications that are infrequently implemented and require custom calculations to determine energy savings with incentive amounts set via $/MMBtu of savings rates. Prescriptive incentive structures vary by measure, but the Company strives to design incentive structures to be easily understood by Program participants. Specific incentive structures include electric incentives denominated in $ per kWh

saved or $ per roof square foot for attic insulation, gas measures denominated $ per MBH or $ per apartment, $ per linear foot for pipe insulation, $ per building, or $ per therm. Fuel switching and building electrification are generally denominated in $ per apartment or $ per MMBtu of savings. Generally speaking, the Company plans to move toward incentive structures that are simpler and more straightforward for customers and contractors to calculate and estimate.

Implementation Approach

The Company plans to use both internal resources and implementation contractors to support the Multifamily Program. The Company is currently engaged in a process to update its implementation approach and will coordinate with National Grid to find cost-effective implementation approaches given the two Companies' shared responsibility for the Non-LMI Regional Weatherization Program and the LMI multifamily portfolio. Key functions to run a multifamily program where projects range in size and complexity include sales and outreach, contractor management, application processing and review, building engineering reviews, inspections, general administration and backend systems management.

3.8 Commercial and Industrial (C&I)

Con Edison's Commercial and Industrial (C&I) Program serves electric and gas commercial customers with an average peak demand of more than 100 kilowatts (kW) on a rolling 12- month basis.[14] The program serves a wide range of customer types, including commercial office buildings, industrial facilities, hospitals, universities and more–many of which have large, complex systems with significant energy savings potential.

Measures and Incentive Design

Eligible customers can participate in the C&I program through two pathways: the prescriptive path, which offers set incentives for measures listed in the TRM, and the custom path, which provides incentives for complex projects and measures that are not listed in the TRM and requires program approval of custom calculations to determine the quantity of energy savings and incentive amount. Prescriptive measures are incentivized using a $/savings or $/unit structure, depending on the measure type and complexity. Custom projects receive performance-based incentives, calculated on a $/savings basis.

The C&I program has delivered robust savings through a range of measures, including controls, heat pumps, high-efficiency chillers, lighting, and other HVAC measures. As the portfolio has matured, the program saw challenges in scaling certain offerings–particularly those involving longer project timelines, higher upfront costs, and more complex customer decision making, such as building envelope and electrification projects.

Electric measures and associated projected savings by year are included in Table 19. Gas measures and associated savings are in Table 20. Fuel Switch in the electric portfolio includes measures such as electric chillers and boilers that were not previously eligible as Clean Heat measures, but were part of the Electric Portfolio.

[14] Customers with a demand between 100-300 kW may also qualify for the Small Biz Program, allowing customers to participate in either program depending on the nature of the project and needs of the customer. Customers with negotiated rates or SC-14 are not eligible for the C&I program. See Section 3.4 below for more information on the Small Biz program.

Table 19: C&I Electric Savings by Measure Category and Year (LMMBtu)

Measure Category	2026	2027	2028	2029	2030
Electric Controls	2,239,920	2,239,920	2,239,920	2,239,920	2,239,920
Fuel Switch	374,400	374,400	374,400	374,400	374,400
ASHP	1,008,000	1,038,240	1,069,387	1,101,469	1,134,513
Other	875,320	1,128,220	1,483,242	1,858,629	2,351,026
Building Envelope	671,283	716,925	772,863	842,530	930,555
Waste Heat Recovery	11,136	22,271	22,271	22,271	22,271
Total	5,180,059	5,519,976	5,962,084	6,439,218	7,052,685

Table 20: C&I Gas Savings by Measure Category and Year (LMMBtu)

Measure Category	2026	2027	2028	2029	2030
Waste Heat Recovery	211,576	423,153	423,153	423,153	423,153
Gas Devices	378,300	378,300	378,300	378,300	378,300
Other	533,990	561,732	561,732	561,732	561,732
Building Envelope	309,117	330,135	355,893	387,974	428,508
Total	1,432,983	1,693,320	1,719,078	1,751,159	1,791,693

C&I electric incentive spending by year and measure category is in Table 21 while gas incentive spending by year and measure category is in Table 22.

Table 21: C&I Electric Incentive Spending by Measure Category and Year ($000s)

Measure Category	2026	2027	2028	2029	2030
Electric Controls	$14,933	$15,381	$15,842	$16,317	$16,807
ASHP	$12,000	$16,068	$17,047	$18,085	$19,186
Building Envelope	$7,600	$8,537	$9,716	$11,224	$13,182
Fuel Switch	$1,014	$1,085	$1,118	$1,151	$1,186
Other	$6,887	$9,464	$13,221	$17,391	$23,057
Waste Heat Recovery	$49	$162	$167	$172	$177
Total	$42,484	$50,698	$57,110	$64,340	$73,595

Table 22: C&I Gas Incentive Spending by Measure Category and Year ($000s)

Measure Category	2026	2027	2028	2029	2030
Building Envelope	$3,500	$3,931	$4,474	$5,168	$6,070
Waste Heat Recovery	$935	$3,085	$3,177	$3,273	$3,371
Gas Devices	$975	$1,004	$1,034	$1,065	$1,097
Gas (Other)	$2,999	$3,164	$3,259	$3,357	$3,458
Total	$8,409	$11,184	$11,945	$12,863	$13,996

Implementation Approach

The C&I Program is implemented by Con Edison through a centralized, in-house team that oversees all aspects of program delivery.

This approach is designed to meet the specific needs of the customer segment – such as large office buildings, industrial facilities, and hospitals– whose size and complexity require a high level of coordination and support. These customers often undertake projects that require tailored technical solutions and coordination across multiple stakeholders, which can lead to extended installation timelines. In-house implementation allows the Company to provide the oversight needed to manage this complexity and develop long-term relationships that support and guide customers' building energy capital plans over time. Customers of this scale and sophistication value direct, consistent communication with Con Edison. In-house delivery ensures they are working with Company staff who understand their needs and can provide support throughout a project's lifecycle and broader strategic planning.

3.9 Small Business and Nonprofit (Small Biz)

Through the Company's Small Business & Nonprofit ("Small Biz") program (formerly the Small-Medium Business program, and Commercial Direct Install program), commercial and nonprofit customers with an average peak demand of 300 kilowatts (kW) or less can receive financial support for energy efficiency and building electrification upgrades. The Small Biz program serves a diverse group of customers, such as small hotels, warehouses, eligible schools, auto repair shops, retail stores, restaurants and houses of worship.

Measures, Customer Subsegments, and Incentive Design

Historically, much of the Small Biz Program's electric savings have come from lighting and lower-EUL refrigeration measures like door gaskets and refrigerated case night covers, especially in Non-Wires Solutions (NWS) territories, where customers are eligible for higher incentives, up to the full cost of the measure. Participation has drawn heavily from retail businesses, restaurants, and offices, many of which rent storefronts within larger commercial or mixed-use buildings and were approached by Participating Contractors through door-to-door sales efforts.

In preparation for the implementation of the Strategic Framework, the Small Biz Program has made several adjustments since 2023:

1. Focusing on the subsegments of Small Biz customers that have large refrigeration needs, manage their own HVAC equipment, and/or fully control their space, allowing them to implement deeper EE measures and BE. These subsegments include grocery stores, hotels, houses of worship, eligible schools, warehouses and factories, and chains;
2. Working with the NWS team to enable portfolio growth in targeted areas;

3. Increasing incentives for Strategic Framework measures; and
4. Encouraging Participating Contractors who have historically focused on non-strategic measures to refocus on deeper measures that will still be eligible for incentives under the Strategic Framework.

These changes have led to significant growth in strategic measures. As of June 2025, the Company's year-end 2025 forecast delivers a sixfold increase in HVAC energy efficiency measures, a threefold increase in strategic refrigeration measures, and doubling of building electrification savings compared to 2024 acquired savings.

In 2026, the Company plans to continue accelerating these changes by:

- Refining incentives for weatherization measures;
- Transitioning to easier-to-understand $/unit incentives where possible – rather than the traditional but harder to understand $/savings incentives – to help Participating Contractors sell projects more easily;
- Enhancing our outreach strategies to reach more customers who can benefit from weatherization measures.

Small Biz electric measures and associated projected savings by year are included in Table 23. Gas measures and associated savings are in Table 24.

Table 23: Small Biz Electric Savings by Measure and Year (LMMBtu)

Measure Category	2026	2027	2028	2029	2030
ASHP	1,109,063	1,053,609	1,000,929	950,882	903,338
Refrigeration	544,500	544,500	544,500	544,500	544,500
Controls	445,500	445,500	445,500	445,500	445,500
Building Envelope	57,110	85,666	94,232	103,655	114,021
Total	2,156,173	2,129,275	2,085,161	2,044,538	2,007,359

Table 24: Small Biz Gas Savings by Measure and Year (LMMBtu)

Measure Category	2026	2027	2028	2029	2030
Building Envelope	61,870	92,804	102,085	112,293	123,523
Controls	27,405	30,146	30,146	30,146	30,146
Total	89,275	122,950	132,230	142,439	153,668

Small Biz electric incentive spending by measure category and year are included in Table 25 while gas measure category and incentive spending is in Table 26.

Table 25: Small Biz Electric Incentive Spending by Measure Category and Year ($000s)

Measure Category	2026	2027	2028	2029	2030
Refrigeration	$8,700	$8,700	$8,700	$8,700	$8,700
Controls	$8,490	$8,490	$8,490	$8,490	$8,490
ASHP	$12,464	$10,657	$10,124	$9,617	$9,137
Building Envelope	$1,260	$1,947	$2,206	$2,499	$2,831
Total	$30,914	$29,793	$29,519	$29,306	$29,158

Table 26: Small Biz Gas Incentive Spending by Measure Category and Year ($000s)

Measure Category	2026	2027	2028	2029	2030
Building Envelope	$1,365	$2,109	$2,389	$2,707	$3,067
Controls	$221	$250	$257	$265	$273
Total	$1,586	$2,359	$2,647	$2,972	$3,340

Implementation Approach

The Company plans to use both internal resources and implementation contractors to support the Small Business and Nonprofit Program. The Company will evaluate its approach for later years based on the evolution of the portfolio and initial implementation effectiveness.

3.10 Non-Residential Ground-Source Heat Pumps

The Company includes a separate section here on Non-Residential GSHP to match its Program delivery structure as it has a small team dedicated to GSHP. The Company stood up its Non-Residential GSHP team to facilitate sectoral growth through better support for contractors and technology-specific market participants who work across sectors and project types. Non-residential GSHP projects tend to be large and complex; the Company has a dedicated team allows the Company to provide coordinated support, expertise and review.

Non-Residential Ground Source Heat Pump (GSHP) incentives are available for all non-residential customers across the Multifamily, C&I and Small Biz sectors. As noted in Section 3.2, while there are new laws that are moving buildings towards all-electric new construction. The Non-LMI Order states at page 36 that "…in general, Non-LMI EE/BE ratepayer funds should not be used to provide end use incentives for new construction projects." The Director's Letter expresses support for the Company's plan to continue to offer GSHP incentives for new-construction projects subject to the conditions that it does not become a stand-alone new construction program and may produce further benefits over other forms of electrification. The Director's Letter further instructs the Company to collaborate with other utilities, in consultation with Staff and NYSERDA regarding common eligibility and data collection approaches while the provision of such incentives stays within approved program budgets.

Measures and Incentive Design

The Non-Residential GSHP Program offers incentives under three different structures. First, an incentive of $/test for Thermal Conductivity Testing to encourage early-stage projects to do the development necessary to progress to final designs. This incentive is applicable across all three sectors.

Second, a multifamily prescriptive incentive denominated in $/apartments electrified for space or domestic hot water. This incentive may be supplemented by a tiered incentive with a higher rate for projects that include weatherization.

Third, custom incentives denominated in $/MMBtu of savings are available for space or domestic hot water in all three sectors, with higher incentive tiers for projects which include savings from weatherization measures.

GSHP projects in new construction buildings must be part of a system that avoids the use of on-site fossil fuel combustion for the specific purpose. For example, a project applying for GSHP space-heating incentives cannot pair that system with an on-site fossil fuel system also for space heating. Non-residential GSHP projects in existing buildings may be designed to work in tandem with existing systems consistent with the Phased definition in Section 3.0 above.

Non-residential GSHP projects may negotiate a mutually agreed upon schedule of incentive payments with Con Edison.

Table 27 and Table 28 below detail the projected savings and incentive spending, respectively, for the GSHP program by customer sector and building type. While there are rows for multifamily and C&I projects, the Non-Residential GSHP Program has not to date supported a project that would qualify for the Small Biz program. If such a project submitted an application and complied with other Program requirements, it would be eligible for the Company's EE/BE portfolio. However, the lack of experience in the sector makes projecting an independent budget by sector difficult.

Incentives and other matters related to Residential GSHP are discussed in the Statewide Clean Heat Program Manual filed on December 12, 2025.

Table 27: Non-Residential GSHP Savings by Customer Sector and Year (LMMBtu)

Sector	2026	2027	2028	2029	2030
Multifamily	422,625	619,850	650,843	670,368	690,479
C&I	374,400	333,025	349,676	367,160	385,518
Total	797,025	952,875	1,000,519	1,037,528	1,075,997

Table 28: GSHP Incentive Spending by Customer Sector and Year ($000s)

Sector	2026	2027	2028	2029	2030
Multifamily	$2,908	$5,990	$9,254	$12,868	$17,893
C&I	$1,014	$1,085	$1,118	$1,151	$1,186
Total	$3,922	$7,075	$10,372	$14,019	$19,079

Program Implementation Approach

Con Edison uses dedicated personnel to support building electrification projects with GSHP with divisions for residential and non-residential sectors.

Con Edison largely implements the Non-Residential portion of the EE/BE Program using internal company resources for application processing and project review. Some on-site inspections are performed by contractors.

3.11 Midstream Programs

Midstream programs complement downstream programs by offering incentives to distributors and creating incentives for energy efficiency at a concentrated place in the value chain. By targeting distributors and places in the supply chain before the final sale to customers, midstream programs can reduce implementation costs by targeting a smaller universe of participants, while expanding the reach of programs to those customers traditional programs sometimes miss. Since distributors and retailers shape what products are stocked and available to customers, midstream programs are uniquely positioned to influence product availability, affordability, and customer awareness at scale. Program experience shows they can achieve up to ten times more installations than downstream models.[15]

There are a number of considerations that help inform the Company's choice about whether a midstream program is a preferred solution for a technology or measure. This list includes:

- Market structure – are there are high-leverage opportunities to reach key market participants
- Customer journey – Who is choosing the technology and under what time scale? How much does a customer or contractor weigh in on equipment selection/ For example, hot water heaters are generally replaced quickly, on failure. Incentives can help make energy efficient or electric offerings must be available to customers.
- Savings calculation – situations where a savings are tied more to the technology's purchase and use than to the specific way it is installed and deployed inside of a customers' premise are good candidates for a midstream approach.
- Installation complexity – a straightforward installation complements a midstream approach

Consistent with the Directors Letter, the Company will seek approval of any new Midstream offerings in a subsequent Implementation Plan, with the exception of the Heat Pump Hot Water Program, which will continue as described below.

Heat Pump Hot Water Program

The Company plans to continue its successful midstream heat pump water heater (HPWH) program. HPWH are a good fit for a midstream delivery model because their installation is simple, savings flow naturally from product size, and customers make decisions quickly when their prior unit fails, so incentives to distributors and retailers to encourage them to the stock the equipment are effective.

The Program offers incentives to distributors for every HPWH sold in the Company's territory. In addition to lowering the upfront cost of the HPWH to contractors and builders who recommend equipment to their customers and clients to lower the gap in price to cheaper alternatives including gas and electric resistance water heaters, the distributor incentive encourages distributors to keep the HPWH in stock. The Company's HPWH has a successful history both of increasing sales and changing stocking decisions.

The Program, measured in the value of incentives for HPWH increased 87% year over year from 2023 to 2024 in the midstream program. As compared with the initial year of the program, when incentives for

[15] ENERGY STAR® Products Partner Resources, Astonishing Results, https://www.energystar.gov/partner-resources/products_partner_resources/retailer-resources/midstream-programs/astonishing-results

HPWH were offered in a downstream model, through contractors, installations are up 337% in Con Edison's territory.

The midstream HPWH program has been successful at changing distributor behavior and leading them to stock the product. Across the Con Edison and National Grid electric service territories, there are 48 distributors who participate in the midstream offering. At the time of launch, 46% of those did not stock HPWH, and the remaining 54% had limited availability. As of today, all 48 regularly stock eligible Energy Star listed HPWH.

4.0 Oversight

Con Edison implements a comprehensive oversight framework across its energy efficiency and building electrification programs to accurately report savings, maintain program integrity, and support continuous improvement. This includes robust controls in program design and implementation, and post-installation inspections, in addition to Measurement and Verification ("M&V") activities on large projects. The Company also conducts oversight at higher levels where Quality Assurance and Quality Control (QAQC) evaluates program processes. Finally, evaluation studies conducted by independent consultants assess savings and process.

The Company has built extensive controls into its program design and implementation to support projects that deliver energy savings, consistent with program requirements. For example, Program teams review applications to screen for project, customer and equipment eligibility. Program teams also must determine the savings associated with each project which may include reviewing calculations as prescribed by the TRM, Program savings calculators or other custom energy models. Crucially, the value of incentives for each project is calculated and communicated to the Program participant. In general, most non-residential projects are subject to pre- and post-installation inspection, which can occur either in person or virtually, as determined by the applicable program. These inspections are designed to oversee Participating Contractors and promote quality installations that comply with program guidelines. Inspection rates can be increased for Participating Contractors that have failed inspections.

Projects that require additional oversight based on program guidelines may be subject to M&V. M&V analysis involves a more robust approach to measuring energy savings and is customarily used on projects that do not lend themselves to engineering judgement alone because of their size, complexity or cost. The Company will follow the latest version of the International Performance Measurement and Verification Protocol (IPMVP) to determine the appropriate M&V approach for a given project. The selected approach will utilize various methods to obtain insights into the installed energy conservation measures ("ECM") to assess their application as well as their impact on savings. M&V activities such as metering and data collection aide in achieving refined savings estimates.

In addition to program design controls and M&V, the Company engages a third-party contractor to conduct QAQC activities to provide actionable insights for program improvement and efficiency. QAQC activities depend on the requirements of each program. They can occur at multiple stages of project implementation—from documentation reviews to on-site inspections. These activities help confirm that program controls are working as designed and provide insights that can inform processes improvements or adjustments to program delivery.

Independent evaluations, conducted by third-party consultants, will be strategically conducted to further assess program performance, customer experience, and realized impacts to help inform program refinements over time. Con Edison will apply an approach for timely and useful impact and process assessments while also coordinating, where appropriate, downstate studies to improve program performance. The Non-LMI Order directs the Company to coordinate on evaluations for the Regional Weatherization Program and Statewide Clean Heat Program in consultation with DPS Staff and make a five-year plan for evaluation scheduling in consultation with DPS Staff. The Company will not implement

any new EM&V actions or processes until Staff has provided further guidance as described in the Directors Letter.

5.0 Outreach and Collaboration

Collaboration with other Program Administrators and NYSERDA can help the Company and other utility Program Administrators achieve and surpass the targets set by the EE/BE Orders within Commission authorized budgets. The Company is well-practiced working with fellow utility Program Administrators to coordinate Program implementation through the Clean Heat Joint Management Committee, a practice that will continue for the revised Clean Heat Program and mimicked in part by the new Regional Weatherization Programs. The Utility Program administrators have built an infrastructure over a decade of collaboration including weekly meetings to share programmatic best practices and other lessons.

The Company expects further collaboration with NYSERDA as it refines its Commission-authorized roles. In particular, NYSERDA's technical assistance function for customers should be delivered in timely fashion and be aligned with program approaches to calculating energy savings to support decisions at the speed of business to help customers take advantage of the Utilities' EE/BE incentive programs to lower their bills and manage energy usage. The Company's experience working with contractors enrolled in its programs can support NYSERDA's approach to workforce development. Finally, the Company expects close collaboration with NYSERDA on the focus areas and purpose of its pilots along with inflight updates to turn insights into brisk Programmatic updates to deliver on ratepayer funds.

Additionally, as outlined in the Joint Utility Customer Platform Implementation plan, the Company will collaborate with NYSERDA to include the Company's Non-LMI offerings on the MyEnergy website so that customers are able to see all the incentives available to them from both NYSERDA and the utilities.

To achieve the growth envisioned by the Non-LMI Order, the Company plans to significantly expand its direct-to-customer outreach strategies to facilitate engagement with the Programs. In the past, much of the program activity relied on Participating Contractors to conduct business development and bring projects to the program. While this will continue, the Company, with targeted support, will be working more proactively with building owners, to design packages of energy efficiency measures to building owners based on metering and publicly available building data. The Company will also seek to work with portfolio owners to develop multi-year EE/BE plans with matching incentive commitments.

The Company will also continue to work with community-based organizations and the NYSERDA Clean Energy hubs to leverage local insights and relationships to promote its programs.

The Company will conduct targeted outreach to members of the EE/BE ecosystem to both solicit input on program design and communicate upcoming changes associated with Program launch dates. As noted above the Company will also engage with each of NYSERDA's Clean Energy Hubs in its territory to build effective programs, and effective program advocates.

6.0 Cost Recovery

The Non-LMI Order specifies that utilities are to collect the funding to administer their EE/BE programs via a surcharge. The Company plans to recover all EE/BE program spending, up to the authorization reflected in Appendix D of the Non-LMI Order, via a component of the System Benefits Charge (SBC), effective March 1, 2026.[16] In this Plan the Company allocates and projects the total authorized budget to various implementation activities including incentives, implementation/marketing and labor including

[16] See Order Granting Rehearing, in Part, and Providing Clarification, issued and effective November 14, 2025, in Cases 14-M-0094, 18-M-0084, 25-M-0248, and 25-M-0249, ordering utilities to file tariff revisions to implement recovery of utility-administered EE/BE program costs through the System Benefits Charge effective March 1, 2026

fringe benefits, non-labor administration and EM&V as summarized in Table 6 which together represent "all EE/BE expenditures related to program activity associated with the 2026-2030 EE/BE budgets authorized in this Order," as stated on p. 123 of the Non-LMI Order. The Company submitted a detailed report on August 13, 2025 identifying and quantifying utility-administered EE/BE program costs, including labor, that will be transitioned to the SBC.

As required by the Non-LMI Order the Company's EE/BE surcharge will be developed by service class using "the same allocations as included in base rate recoveries" and will be implemented "in such a manner that maintains the existing NYPA customer exemptions."[17] All EE/BE program spending collected via the surcharge will be treated as a regulatory asset and amortized over a 15-year period, including carrying charges, which reflects roughly the aggregate useful life of the measures incentivized by programs that make up the electric and gas EE/BE portfolios. In February 2026 the Company will file tariff revisions – developed in consultation with DPS Staff – that enable recovery of the utility-administered EE/BE programs, which will go into effect on March 1, 2026. Annually thereafter the Company will update the surcharge on a calendar year basis and reconcile any over-or under-collections from the prior year as part of the updated surcharge statement for the upcoming year.

[17] Non-LMI Order, P. 124