STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Case-22-E-0064 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service

Case-22-G-0065 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Gas Service

2023 Con Edison Earnings Adjustment Mechanism Achievement Report

July 1, 2024

1. Executive Summary

The New York State Public Service Commission's ("Commission") *Order Approving Electric and Gas Rate Plans* for Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") ("2023 Rate Case Order")[1] included earnings adjustment mechanisms ("EAMs"). These mechanisms are intended to incent the Company for advancing State policy objectives beyond current ambitious baseline expectations, including: cost-effective energy efficiency and heating electrification, distributed energy resources ("DER") integration, demand response growth, electric vehicle ("EV") adoption, transportation interconnection timeline reductions, and grid beneficial EV charging behavior. During 2023, Con Edison achieved or exceeded the minimum targets for its Demand Response, Light-Duty Vehicle Emissions, Transportation Interconnection Timeline, and DER Utilization Storage EAMs, resulting in EAM earnings of $36.8 million, or 21 basis points ("bps").

The Commission adopted EAMs to encourage utilities to help achieve desired outcomes. For example, the Company's current EAMs encourage the Company to improve demand response efforts, helping to maintain the peak level in the face of growing demand. Additionally, to achieve EAM goals, the Company must have an enhanced focus and enterprise alignment for programs such as energy efficiency, demand management, electric vehicle, and DER interconnection groups. This fosters innovative approaches to delivering policy- and customer-driven outcomes that exceed ambitious baseline targets developed through a stakeholder process which led to the Rate Case Order. These new and increased efforts included:

- Launched new incentive offerings and customer-facing tools that encouraged customers to pursue smart building electrification measures;
- Targeted, innovative marketing efforts, such as: new customer-specific email campaigns industry partnerships, customer outreach, educational webinars and training programs, and co-branding with aggregators to increase participation in the Company's demand response and managed charging programs;
- Deployed resources to monitor each part of the transportation interconnection process to identify areas for decreasing time for various steps and providing customer transparency, and implemented pre-engagement and advisory services to guide customer decision-making;
- Enhanced automation processes to support and streamline interconnection of DER solar residential projects; and
- Increased technical reviews with DER storage developers with projects >500kW to support lower cost design standards.

As a result of these efforts, the Company:

- Delivered savings from smart building electrification (SBE) measures, more than nine times these savings from the prior year;

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

- Grew customer participation in demand response programs by approximately 10 percent compared to 2022;
- Supported higher DER installation in 2023, including greater than 12,000 solar projects, a 25 percent increase from the 9,600 projects installed in 2022, as well as 21.82 MW energy storage, a 3.5 times increase compared to the 6.2 MW of energy storage in 2022;
- Helped grow light-duty electric vehicles in its service territory, which increased by 32,805 vehicles in 2023, more than a doubling of approximately 14,000 incrementally added electric vehicles in 2022;
- Relaunched and enrolled more than 12,000 EV drivers in the residential managed charging program, up 24 percent from 2022;
- Reduced average transportation electrification interconnection timelines by 19 percent compared to historical timelines.

EAMs

The Company currently has eight EAMs – (1) Smart Building Electrification (Electric), (2) Smart Building Electrification (Gas), (3) Demand Response, (4) Light-Duty Vehicle Emissions, (5) Transportation Interconnection Timeline, (6) Residential Managed Charging, (7) DER Utilization Solar, and (8) DER Utilization Storage. As explained herein, at this time, the Company has earned $36.8 million in total EAMs. Table 1 describes EAM targets and achievement, and it is followed by further explanation of the efforts and earnings.

Table 1: EAM TARGETS AND ACHIEVEMENTS[2]

	Minimum Target	Mid-point Target	Maximum Target	Minimum Earnings	Mid-point Earnings	Maximum Earnings	**Achievement**	**EAM Earned**
Smart Building Electrification	5,161,874 LMMBtu	8,854,487 LMMBtu	16,424,145 LMMBtu	$6.0 / 2.5 bps (E,G)[3]	$8.4 / 3.5 bps (E,G)	$14.4 / 6 bps (E,G)	8,683,163 LMMBtu	$0.0[4] / 0 bps
Demand Response	88 MW	113 MW	138 MW	$3.5 / 2 bps	$7.0 / 4 bps	$12.3 / 7 bps	96.94 MW	$4.7 / 2.7 bps
Light-Duty Vehicle Emissions	521,474 CO_{2e}	624,640 CO_{2e}	727,806 CO_{2e}	$3.5 / 2 bps	$7.9 / 4.5 bps	$12.3 / 7 bps	732,981 CO_{2e}	$12.3 / 7 bps
Transportation Interconnection Timeline	8%	15%	25%	$3.5 / 2 bps	$5.3 / 3 bps	$10.5 / 6 bps	19%	$7.5 / 4.3 bps
Residential Managed Charging	5%	10%	17%	$3.5 / 2 bps	$6.0 / 3.5 bps	$12.3 / 7 bps	0%	$0.0 / 0 bps
DER Utilization Solar	95.19 MW	104.47 MW	113.75 MW	$1.8 / 1 bps	$5.3 / 3 bps	$12.3 / 7 bps	92.13 MW	$0.0 / 0 bps
DER Utilization Storage	10.81 MW	12.28 MW	14.74 MW	$1.8 / 1 bps	$5.3 / 3 bps	$12.3 / 7 bps	21.82 MW	$12.3 / 7 bps

[2] Target and achievement levels reflect values in 2023 Rate Case Order, units vary by EAM.
[3] SBE EAM basis points are for both Electric and Gas commodities, all other EAMs are Electric only.
[4] While the Company exceeded the minimum Smart Building Electrification energy savings target, the Company fell short of the Cumulative First-Year NENY Energy Savings Target for 2023, resulting in no earning of this EAM.

For the Smart Building Electrification EAM, in 2023, the Company achieved a total of 8,683,163 LMMBtu smart building electrification savings, exceeding the minimum target of 5,161,874 LMMBtu by 3,521,289 LMMBtu. However, at this time, the Company did not meet the additional condition to earn for the SBE EAM.[5] The Company achieved 13,556,722 AMMBTU cumulative energy savings for the 2020-2023 period, 54,887 AMMBtu below the 2023 cumulative first-year New Efficiency New York ("NENY") energy savings target. This is because not all program evaluations have been completed. While, the Company did not earn an incentive under this EAM based on current available program evaluation reports, the Company plans to file an update to this report in by the end of 2024 for the Smart Building Electrification EAM following the completion of program evaluations. Based on preliminary estimates, the Company expects to achieve the Cumulative First-Year NENY Energy Savings target with the inclusion of program savings pending evaluation, which would likely result in the Company earning this EAM.

2. Achievement Details

Smart Building Electrification

The Smart Building Electrification ("SBE") EAM incentivizes the Company to implement specific higher intensity energy efficiency measures that can lead to a more cost-effective transition to electrification, while also balancing the overall NENY energy efficiency and clean heat portfolio to deliver energy savings to achieve NENY portfolio targets. These measures include building envelope upgrades, ground source heat pumps, waste heat recovery, and advanced controls paired with heat pumps. In 2023, the Company achieved 8.68 million LMMBtu of energy savings from the SBE measures, a ninefold increase in savings above 2022. Based on program evaluations completed, the Company also achieved 13.56 million AMMBtu cumulative NENY energy savings just below the Cumulative First-Year NENY Energy Savings target, resulting in no earning of this EAM at this time.

Table 2 below breaks down the Company's SBE achievement by measure category. Table 3 breaks down the Company's first-year NENY energy[6] and SBE achievement by program. Energy savings achievement is based on verified gross savings[7] and as such, excludes unevaluated program savings. The Company is currently completing its evaluation of several programs, and as result, the Company plans to file an update to the results of the Smart Building Electrification EAM by the end of 2024.[8]

[5] To earn any SBE EAM reward the Company must demonstrate it is on pace to achieve its cumulative NENY first-year annual energy savings target. *See*, 2023 Rate Case Proceeding, 2023 Rate Case Order, Appendix 22 – Joint Proposal, p. 7.
[6] First-year savings is energy saved during the first full year post installation of the EE or electrification measure.
[7] Except for Clean Heat program savings. *See*, 2023 Rate Case Proceeding, 2023 Rate Case Order, Joint Proposal - Appendix 22, p. 6.
[8] Unevaluated Gross Savings from each program are listed in Appendix A along with a timeline of the remaining VGS evaluation. The Company's ultimate EAM achievement will depend on the realization rate that is determined by the evaluations and applied to the gross savings. For example, a realization rate of 50% for the Retail Products Program would result in the Company acquiring 10.5 million LMMBtu of Smart Building Electrification EAM savings and achieving EAM revenue of $9.0 million whereas a 100% realization rate of 100% would result in the Company acquiring 11.9 million LMMBtu of Smart Building Electrification EAM savings and achieving EAM revenue of $10.3 million.

Table 2: 2023 Smart Building Electrification Achievement	
Measure Category	**LMMBTU (000s)**
Building Envelope	6,248
Ground Source Heat Pump	847
Waste Heat Recovery	1,301
Advanced Controls	287
Total	**8,683**

Table 3: 2023 Energy Efficiency Program Achievement[9]		
Programs	**First-Year NENY Energy Savings AMMBtu (000s)**	**Smart Building Electrification LMMBtu (000s)**
NENY Non-LMI Programs		
Commercial	938	2,282
Small Business & Nonprofits	259	4
Multifamily	265	795
Residential	707	245
Clean Heat	673	1,048
Total Non-LMI	**2,841**	**4,373**
NENY LMI Programs		
Multifamily	326	4,218
Residential	96	91
Total LMI	**422**	**4,310**
Total NENY	**3,263**	**8,683**
Cumulative First-Year NENY (2020 – 2023)	**13,556**	

The Company balanced its overall portfolio to deliver smart building electrification and NENY energy efficiency portfolio savings. Multifamily program achievement was the largest contributor to smart building electrification savings, accounting for 5 million LMMBTU, or 58 percent of achieved savings. The Affordable Multifamily Energy Efficiency Program ("AMEEP"), in particular, delivered significant savings, achieving 4.2 million LMMBTU, or 49 percent of smart building electrification savings through building envelope upgrades. Company efforts that led to this achievement included expanded contractor education and outreach, such as webinars and on-site trainings, to increase awareness of building envelope incentive offerings. The Company also streamlined the eligibility process for affordable multifamily buildings pursuing non-comprehensive AMEEP projects, or smaller, measure-level upgrades. In addition, the Company continued to strengthen partnerships and coordinate with New York City Housing Preservation and Development, New York City Accelerator, and community-based organizations to encourage customers to participate in AMEEP.

In addition to driving growth in affordable multifamily smart building electrification adoption, the Company launched new incentive offerings and customer-facing tools that encouraged commercial and industrial customers to pursue building envelope upgrades and waste heat recovery measures. This work

[9] The Company applied a zero percent Realization Rate for programs that have yet to complete VGS evaluation. This process is also used for the Company's Scorecard filing.

included a new secondary steam offering incentivizing commercial and industrial customers to implement waste heat recovery systems that beneficially reuse waste heat to provide space conditioning or hot water heating in a building. The Company also launched an energy savings calculator for commercial and industrial building envelope upgrades that enables customers and participating contractors to calculate expected energy savings and incentives associated with these types of projects. The Company completed more than 35 commercial and industrial projects in 2023 that included smart building electrification measures, such as waste-heat recovery, heat pumps paired with advanced controls, and building envelope. Additionally, the Company relaunched the Clean Heat program in 2023, and continued to encourage the growth of heat pump adoption.

Demand Response

The Demand Response ("DR") EAM incentivizes the Company to increase participation in demand response programs. This includes the Company's DR programs such as Commercial System Relief Program ("CSRP"), Distribution Load Relief Program ("DLRP"), Term Dynamic Load Management ("Term-DLM"), Auto Dynamic Load Management ("Auto-DLM"), and Bring Your Own Thermostat ("BYOT") programs, as well as the NYISO Special Case Resource ("SCR") program. The DR EAM is measured as the total incremental MW of demand reduction from the Company's demand response programs and NYISO's SCR program. In 2023, the Company achieved 96.94 incremental MW, or 1,180.14 total MW load reductions, an 8.9 percent increase above 2022 levels, and 8.94 MW above the minimum target of 88 MW. This results in earnings of $4.7 million for the DR EAM.

Table 4 breaks down the incremental MW reduction by program.

Table 4: Total Incremental DR MW Reduction Achievement

Program	**MW**
CSRP / Auto & Term-DLM	390.39
DLRP	348.91
BYOT	27.54
NYISO SCR	413.30
Total	**1,180.14**

In 2023, the Company launched new initiatives and partnered with third-party market participants (*i.e.,* aggregators) on customer outreach in 2023 to grow DR programs. The Company's completed rollout of Advanced Metering Infrastructure ("AMI") enabled the participation of residential and small-to-medium business (SMB) customers, providing DR eligibility in both Company and NYISO programs to over 3 million customers in its service territory. The Company engaged with this new customer base through new marketing campaigns and outreach initiatives, such as email campaigns and co-branding with third-party aggregators. Additionally, the Company developed new customer facing web pages for customer education along with making updates to the "Find an Aggregator" tool that matches customers with aggregators. In total, 61,856 customers participated in the Company's DR programs in 2023.

The vast majority of customers in the in the Company's CSRP and DLRP programs are dual enrolled in the NYISO SCR program. The Company supported NYISO enrollments by communicating with aggregators the benefits of dual participation and encouraging participation in both the Company's and NYISO's programs. In 2023, NYISO SCR saw an increase in customer performance, in contrast to declining growth that has been observed in the program since 2020. The NYISO SCR results come from the NYISO SCR report, and the Company does not have control over the operations and administration of this program.

Light-Duty Vehicle Emissions

The Light-Duty Vehicle ("LDV") Emissions EAM encourages Company efforts that will accelerate light-duty EV adoption and lead to a decrease in lifetime CO_{2e} (carbon dioxide equivalent) emissions. The Company achieved a total of 732,981 ton CO_{2e} emission reductions in 2023, resulting in $12.3 million achievement for the LDV Emissions EAM. Table 5 shows EV adoption and CO_{2e} emission reductions by vehicle type.

Table 5: LDV Emissions Achievement

Type of Vehicle[10]	Vehicle count	CO_{2e} emission reduction
BEV	21,836	509,652
PHEV	10,969	223,329
Total	**32,805**	**732,981**

Demand for EVs increased significantly in 2023, with the number of new EVs in the Company's service territory increasing by nearly 33,000, more than double the incremental additions in 2022, and new EV sales reaching 10 percent of all vehicles, up from 5 percent the previous year. Growth in New York City EV adoption was robust and caught up to Westchester levels, where EV adoption has historically been at higher levels.

Company efforts to spur EV adoption included expanding participation in its make-ready and managed charging programs, launching marketing and outreach initiatives, educating customers on the benefits of EVs, and supporting policy and regulatory initiatives.

Through PowerReady, the make-ready infrastructure incentive program, for example, the Company supported the installation of more than 3,800 L2 plugs and more than 130 Direct Current Fast Charging ("DCFC") plugs, representing a 2.5 times increase and two times increase in plugs installed through the previous year, respectively. The buildout of the EV charging network in New York City, which accounted for greater than 85 percent of PowerReady plugs installed last year, increased visibility and access to charging throughout New York City, helping to reduce range anxiety, the leading barrier to EV adoption.

[10] LDV Emissions EAM includes light-duty Battery Electric Vehicles ("BEV") and Plug-in Hybrid Vehicles ("PHEV").

The Company launched commercial and subway advertising campaigns to increase awareness on investments in EV charging infrastructure and address range anxiety.

Through the managed charging program, SmartCharge New York ("SCNY"), the Company provided operating cost relief support and improved the economics of EVs for current and prospective owners. The Company relaunched the program and enrolled more than 12,000 participants, a 25 percent increase from 2022.

The Company launched numerous marketing and outreach efforts to encourage EV adoption. This included participating in the Auto Show and speaking at community events, such as the New York City Department of Citywide Administrative Services Fleet Show and the Brooklyn Energy Summit, and partnering with Westchester Municipalities to provide educational events and resources for fleet electrification. The Company also supported and advocated in public comments for regulatory mechanisms to encourage EV adoption, such as New York City's Green Rides Initiative and the Environmental Protection Agency regulations, which contributed to EV growth in the service territory in late 2024 and more stringent federal emissions regulations.

External factors that led to uncertainty in EV adoption included market challenges, such as high interest rates and manufacturing costs, which increased the cost of EVs and slowed sales nationally.

Transportation Interconnection Timeline

The Transportation Electrification Timeline EAM ("TE Interconnection") incentivizes the Company to reduce the average timeline for transportation electrification projects from application to energization. The Company completed 6 transportation electrification projects greater or equal to 300 kilowatts (kW). The average weighted timeline was 648 days, a 19 percent reduction in timeline compared to historical weighted average of 803 days, resulting in $7.5 million achievement in the TE Interconnection EAM.

The Company achieved these timeline reductions through focused enterprise-wide efforts, analyzing interconnection processes across work categories and identifying areas for improvement. In the past year, the Company has implemented various tools and services to condense timelines and improve customer experience that can be described in four categories.

- First, one of the most impactful efforts has been the implementation of customer pre-engagement and advisory services, which includes education on interconnection processes and decision-making tools. The Company's dedicated advisory services team conducted site assessments to provide customers a preview of expected capacity at sites customers are considering before they develop their project and complete preliminary engineering and planning work. The Company also developed templated documents, including but not limited to load letters, site plans, and wiring diagrams for customers filing EV projects to improve information exchange. The templates ensured that customers submitted all the necessary information accurately. Improved customer expectations and decision-making upfront, as well as accurate flow of information, reduces delays and rescoping of the work downstream.

- Second, the Company increased efficiency in utility handoffs between steps in the interconnection process and identified areas where simultaneous work can be completed. These efforts have condensed timelines and reduced the time between work transfers.
- Third, the Company implemented tools and worked with government agencies, such as the New York City Department of Transportation ("DOT"), to develop new processes to improve visibility of and planning for EV projects, increasing the speed at which infrastructure in the public right of way can be built. For example, the Company overlayed Geographic Information System map layers of active and potential upcoming EV projects with DOT existing and planned work locations to identify permitting needs and avoid potential delays. The Company also worked with DOT to ensure their permitting groups have visibility into EV projects on permit applications.
- Fourth, the Company developed and implemented new tools and processes for both the utility and customers to monitor each part of the interconnection timeline and find areas for improvement. On the utility side, the Company incorporated weekly and monthly tracking meetings with project management teams and executives to review projects in the queue, identify opportunities to increase efficiencies and avoid delays, problem solve, and develop new process improvements. On the customer side, the Company updated application portals to strengthen communication and increase customer visibility on case progression through visual updates and tracker of actionable items.

There were various drivers for the timelines in the projects completed under the Company's TE Interconnection EAM. The average timeline for projects under the Service Adequate – High Tension work category was 80 percent below historical timelines, in large part due to pre-engagement and advisory services to support customer decision making. The timelines for projects under the work categories New Overhead Service Install & System Upgrade and New Secondary Service Install increased compared to historical averages due to delays in customer decision-making, as well as supply chain delays in customer procurement of switchgear and other material. The Company will continue to implement enterprise-wide solutions that drive efficiencies and improve transportation interconnection processes. Table 6 below shows timelines of projects completed by work category compared to the historical baseline.

Table 6: TE Interconnection Achievement

Work Category	Projects Completed	New connected load (MW)	Historical Baseline	Avg. Timeline Achieved
New Overhead Service Install & System Upgrade	1	1.16	774	951
New Secondary Service Install	1	0.94	594	631
New Service Install & System Upgrade	2	0.68	741	631
Service Adequate – High Tension	2	0.77	1,156	228
		Weighted Average	803	648

Residential Managed Charging

The Residential Managed Charging ("RMC") EAM incentivizes the Company to (1) increase EV enrollment in the SCNY managed charging program and (2) encourage program participants to avoid EV charging during system peak hours (2 PM - 6 PM). To meet the EAM, the Company must increase the avoided peak charging kW per EV on the road in its service territory at a level higher than the historical baseline. In 2023, the Company's avoided peak charging per EV on the road was 1.57 kW, lower than the target of 1.69 kW. While the Company improved both participation and performance in the program compared to historical levels both through increases in enrollment and improvements in the peak avoidance of enrolled vehicles, the Company did not achieve this EAM in 2023.

The Company relaunched the SCNY program in January 2023 and had to re-enroll previous customers, as well as enroll new participants, challenging EAM achievement. The Company implemented innovative marketing and outreach efforts to reach past and new participants. For example, the Company launched new on-the-ground efforts to target customers while they are buying or charging their cars at EV dealerships, service centers, and charging hubs; developed partnerships with municipal fleets in Westchester; partnered with the New York City Taxi and Limousine Commission on outreach and a webinar; and targeted email and post-card campaigns to specific driver bases. By the end of 2023, the Company enrolled 12,260 EVs into the new program, a 24 percent growth in program participation compared to 2022. The outreach efforts and continuous education on the value of off-peak charging also led to a decrease in participant peak charging by 28 percent per vehicle enrolled compared to the previous year. Table 7 shows the new marketing initiatives the Company launched in 2023.

Table 7: RMC Outreach Initiatives

Relationship Development	Outreach Efforts	Collateral Development
Taxi and Limousine Commission partnership	Targeted customer outreach at Charging Stations / Tesla Dealerships	Tesla-only Email/Postcard Campaigns
Auto Dealer training program	Increased frequency of e-blast / mailer campaigns	Signage, stickers, and postcard leave-behinds
Partnerships with Industry Partners	Developer / Property Manager outreach	Con Edison welcome emails and home energy reports
Partnerships with charger manufacturers	Fleet identification and outreach	
	Municipality outreach	
	Educational webinars	

Despite these broad and innovative efforts, technology, market and geographic factors influenced program enrollment growth. Technology challenges arose since over 25 percent of EVs in the Company's service territory do not have the telematics data to participate in the program, making them ineligible to enroll, and nearly 20 percent faced a fee to procure the data necessary to participate. Market challenges included a shift in driver interest from eligible models with free access to data to ineligible ones with data fees. Finally, the shift in geographic trends of EV adoption to an increased urban driver

base, fewer of which have access to at-home charging, also influence enrollment. The program enrollment rate in New York City, where there is less ability to plan and charging is more opportunistic was 15 percent, lagging Westchester significant at an enrollment rate of 23%.

DER Utilization Solar

The Distributed Energy Resource ("DER") Utilization ("DERU") Solar EAM incentivizes the Company to support the interconnection of DER solar in its service territory. DERU Solar EAM measures the annual incremental interconnected solar capacity in megawatts (MW). In 2023, Company supported the interconnection of 92.1 MW of DER solar, a historical achievement compared to 2022's record performance. The achievement, however, was below the minimum target of 95.2 MW and the Company did not meet this EAM in 2023.

The Company supported the interconnection of all projects in the queue, which included over 12,000 projects in 2023, up 25 percent from 9,600 projects in 2022. The average project size was 7.5 kW, and out of the projects completed, approximately 60 were over 100 kW. The Company interconnected the largest volume and MW of projects in Queens. Table 8 shows the breakdown of projects by borough/county.

Table 8: Total DERU Solar MW Installed

Borough/County	Number of projects	MW installed
Bronx	1,543	13.96
Brooklyn	2,457	13.49
Manhattan	52	1.24
Queens	4,483	26.68
Staten Island	1,711	12.91
Westchester	1,877	23.83
Total	**12,124**	**92.1**

To support a higher volume of smaller projects and keep pace with the market, the Company enhanced and automated project management processes. Where possible, the Company expanded "Fast Track Solar Program" for small residential customers. This resulted in expanded throughput for residential cases, shortened project lifecycles, and completion of all cases in the queue.

Residential projects continued to push the DER solar market in 2023, as the Inflation Reduction Act ("IRA") expanded the residential tax credit to cover up to 30 percent of installing rooftop solar. There was, however, significant pause for larger projects due to regulatory conditions for federal and state incentives, as well as inflationary cost increases. The IRA, for example, had additional considerations for larger projects, such as prevailing wages, in order to be eligible for the full credit.

DER Utilization Storage

The DERU Storage EAM incentivizes the Company to support the installation of customer-sited energy storage systems ("ESS") of 5 MW or less, excluding Non-Wires Alternatives projects. DERU Storage is measured by the inverter AC nameplate rating of each project that completes the Site Investigation and Remediation costs ("SIR") process. In 2023, the Company supported the installation of 21.82 MW, a 3.5 times increase from 2022. The Company's efforts with DER storage resulted in $12.3 million in EAM achievement.

The Company supported the interconnection of approximately 140 projects, with six projects accounting for 20.7 MW. Table 9 below shows the breakdown of projects and completion dates.

Table 9: Total DERU Storage MW Installed

Developer	**MW**	**Date Completed**
Sunkeeper Solar	3.85	7/21/2023
Certain Solar	1.50	7/21/2023
Certain Solar	1.50	7/21/2023
Sunkeeper Solar	3.85	8/2/2023
MGN	5.00	11/10/2023
MGN	5.00	12/19/2023
Projects <50kW	1.12	throughout 2023
Total	**21.82**	

The significant achievement was due to larger project developers striving to install landmark projects in communities throughout the territory as their first within those areas. Those developers worked closely with Con Edison and local officials to complete projects by 2023 with one of the largest within the last two weeks of the fiscal year.

To drive the installation of DER storage in its service territory, the Company supported and enhanced tools and processes to provide developers with technical support and guidance in the submittal and construction process. Enhanced tools included additional communication with developers of projects >500kW throughout construction, reviewing technical requirements to support lower cost design standards, and development of a Best Practices Guide for storage applications.

These Company efforts described above helped offset external factors impacting ESS installation included material shortages, permitting challenges for developers and technical approvals with Department of Buildings and the Fire Department of New York. Con Edison continues to work with stakeholders and partners to support streamlining storage interconnection within the service area.

3. Conclusion

The 2023 EAMs encouraged Company efforts to drive accelerated progress towards State policy objectives. The Company implemented new incentives, processes, tools, and outreach efforts to support energy efficiency and heating electrification, DER integration, demand response growth, EV adoption, transportation interconnection timeline reductions, and grid beneficial EV charging behavior. Through these new initiatives, the Company improved utility processes, delivered on policy targets, and strengthened customer relationships. The mechanisms incentivized the Company to focus efforts and exceed historical performance in all measured areas.

Appendix A: 2023 NENY Energy Efficiency Program Details

2023 Actual Portfolio Performance

	Total	Portfolios		Non-LMI Programs					LMI Programs	
		Total Non-LMI	Total LMI	Commercial	Multifamily	Small-Medium Business	Residential	Clean Heat	Multifamily	Residential
Gross MWh	397,315	356,262	41,053	127,171	18,325	76,761	204,228	(70,223)	7,158	33,894
Gross Dth	2,603,345	2,229,490	373,855	628,308	224,262	19,520	445,079	912,320	347,118	26,737
Realization Rate	82%	82%	82%	88%	92%	92%	62%	100%[11]	88%	68%
Annual MMBtu	3,263,478	2,841,395	422,084	937,550	265,217	259,063	706,844	672,721	325,731	96,353
Weighted-Avg EUL[12]	12.81	11.98	18.40	13.47	16.04	9.99	5.99	15.38	19.96	13.15
LMMBTU	41,818,181	34,050,595	7,767,586	12,626,560	4,253,900	2,588,590	4,233,876	10,347,670	6,500,749	1,266,837
SBE LMMBTU	8,683,163	4,373,436	4,309,726	2,281,961	794,845	3,549	245,377[13]	1,047,705	4,218,356[14]	91,370

[11] Clean Heat Program savings are exempt from VGS. The Company uses a 100 percent realization rate for the purposes of this filing. *See, Joint Proposal, Appendix 22, p. 6.*

[12] The program weighted-average EULs for this EAM report are calculated differently from the program weighted-average EULs in the Company's Scorecard filing under these proceedings and 15-M-0252 and 18-M-0084. The program weighted-average EULs for this EAM report are weighted by verified gross savings while the EULs in the Company's Scorecard filing are weighted by gross savings.

[13] Does not account for excluded savings associated with Retail Products because this program has not yet been evaluated.

[14] Does not account for excluded savings associated with Affordable Multifamily Energy Efficiency Program Comprehensive projects that are not yet evaluated.

2023 Unevaluated Portfolio Performance

Program	Gross MWh	Gross Dth	Estimated Evaluation Completion Date
Retail Products	11,620	337,926	Q3 2024
Virtual Commissioning Pilot	555	0	To be determined 2025
Affordable Multi-Family Energy Efficiency Program (Comprehensive)	401	4,291	To be determined 2025

The Company has not claimed any savings associated with these unevaluated programs toward its 2023 Smart Building Electrification EAM achievement. As discussed above, the Company plans to file an update to this report by the end of 2024 for the Smart Building Electrification EAM following the completion of program evaluations.