

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of Consolidated Edison
Company of New York, Inc. for Steam Service.

Case 25-S-XXXX

November 26, 2025

Prepared Testimony of:

Steam Infrastructure and

Operations Panel

John Giamarino
4 Irving Place
New York, NY 10003

Richard Johns
801 East 14th Street
New York, NY 10009

Theresa Kong
750 East 16th Street
New York, New York,
10009

Joanna Yager
4 Irving Place
New York, New York, 10003

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1. INTRODUCTION

A. Introduction and Qualifications of Panel Members

Q. Would the members of the Steam Infrastructure & Operations Panel ("SIOP" or "Panel") state your names and business addresses?

A. Our names are John Giamarino, Theresa Kong, Joanna Yager, and Richard Johns. Mr. Giamarino and Ms. Yager's business address is 4 Irving Place, New York, New York. Ms. Kong's is 750 E. 16th Street, New York, New York. Mr. Johns's is 801 East 14th Street, New York, New York.

Q. By whom are you employed?

A. We are all employed by Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company").

Q. State your educational background.

A. **(Giamarino)** I hold a Master of Business Administration in finance from Fordham University and a Bachelor of Science in mechanical engineering from State University of New York Buffalo.

(Kong) I hold a Master of Science in construction management from Columbia University and a Bachelor of Engineering in engineering management from Stevens Institute of Technology.

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1 **(Yager)** I hold a Master of Business Administration from
2 Fordham University and a Bachelor of Science in
3 bioengineering from Binghamton University. I completed the
4 Siemens PTI Power Technology Distribution course and am a
5 Registered Gas Distribution Professional.

6 **(Johns)** I hold a Master of Science in energy management
7 from New York Institute of Technology and a Master of
8 Business Administration from Fordham University.

9 Q. Describe your work experience.

10 A. **(Giamarino)** I joined Con Edison in 1990 as a Management
11 Intern and have served in positions of increasing
12 responsibility, including Project Manager, Maintenance
13 Manager, and Operations Manager of East River Station, and
14 General Manager of Construction Services. I have been Chief
15 Engineer of Steam and Gas Engineering since November 2019.

16 **(Kong)** I joined the Company as a management associate in
17 2003 and have held positions of increasing responsibility,
18 including Chief Section Manager in Construction's Public
19 Improvement department, Section Manager in Engineering and
20 Planning, and General Manager of Construction. I have been
21 General Manager of Steam Distribution since January 2022.

22 **(Yager)** I joined the Company in 2008 as an Associate

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1 Engineer and have held various positions of increasing
2 responsibility, including Section Manager in Gas Operations
3 and Senior System Operator in System Operations. I have
4 been the General Manager of Steam Services since April
5 2024.

6 **(Johns)** I started my employment at Con Edison in 1999 as a
7 Customer Field Representative within Customer Operations
8 and thereafter took on roles of increasing responsibility.
9 I moved to Steam Operations as a General Utility Worker and
10 took on various roles, including Mechanic A, Maintenance
11 Supervisor, Project Specialist, and Maintenance Manager. I
12 then worked as Construction Manager and Department Manager
13 in Central Construction and later returned to Steam
14 Operation as Plant Manager at 59th Street Station. I have
15 served as the Plant Manager of East River Station since
16 2024.

17 Q. Describe your current responsibilities.

18 A. **(Giamarino)** My current responsibilities as Chief Engineer
19 of Steam and Gas Engineering include providing leadership
20 and oversight for the safe and reliable engineering and
21 design of electric generation, steam generation, and steam
22 distribution systems and facilities. This includes

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1 specification of mechanical, electrical, civil, structural,
2 piping, instrumentation, and control equipment and systems;
3 ensuring compliance with applicable regulations and
4 industry codes and standards; the identification and
5 coordination of research and development opportunities; and
6 providing the engineering services required to support
7 operations and maintenance activities.

8 **(Kong)** My current responsibilities as General Manager of
9 Steam Distribution include the management of all activities
10 associated with construction, operations, and maintenance
11 of the Steam Distribution system and system facilities in
12 customer premises, such as meter reading and meter
13 operations.

14 **(Yager)** As General Manager of Steam Services, I am
15 responsible for the management of all activities associated
16 with business development, customer relationship
17 management, compliance, communications, operations
18 planning, technical analysis, and long-term planning areas
19 for Steam Operations.

20 **(Johns)** My current responsibilities as Plant Manager of
21 East River Station include the management of all activities
22 required to produce steam and electricity safely and

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1 reliably at the station. This includes managing the annual
2 operation and maintenance ("O&M") and capital budgets.

3 Q. Do you belong to any professional organizations?

4 A. **(Giamarino)** I am a member of Electrical Power Research
5 Institute, Low Carbon Resource Initiative, and Construction
6 Industry Institute.

7 **(Kong)** No.

8 **(Yager)** No.

9 **(Johns)** No.

10 Q. Have any members of the panel previously testified before
11 the New York State Public Service Commission ("PSC" or
12 "Commission")?

13 A. **(Giamarino)** Yes, in the Company's steam filing for Case 22-
14 S-0659 in this panel.

15 **(Kong)** Yes, in the Company's electric and gas rate filing
16 (19-E-0065 and 19-G-0066) for Municipal Infrastructure
17 panels, and in the Company's steam filing for 22-S-0659 for
18 this panel.

19 **(Yager)** No.

20 **(Johns)** No.

21

22

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1 **B. Purpose of Filing**

2 Q. What is the purpose of the Panel's testimony?

3 A. The purpose of the Panel's testimony is to present the
4 investments necessary to continue providing safe and
5 reliable service, enhance system resilience, and continue
6 to decarbonize the steam system.

7 Q. What period does your testimony cover?

8 A. The testimony covers the 12-month period ending October 31,
9 2027 ("Rate Year" or "Rate Year 1"). As the Company's
10 Accounting Panel explains, the Company is not proposing a
11 multi-year rate plan but is interested in pursuing one in
12 settlement discussions. Therefore, we also address
13 investments planned for the two years following the Rate
14 Year. We refer to the twelve-month periods ending October
15 31, 2028 and October 31, 2029 as "Rate Year 2" and "Rate
16 Year 3," respectively.

17 Q. How is the rest of your testimony organized?

18 A. We will provide a summary of our funding requests. We give
19 background on the steam system and the key principles
20 behind our investments. Thereafter, we further explain the
21 three categories of investments: Steam Production (split by
22 capital and O&M), Steam Distribution (split by capital and

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O&M), and other O&M, including allocated O&M from the Company's shared organizations. We then discuss steam decarbonization projects. Finally, we discuss proposed tariff updates.

Q. List each exhibit prepared under this Panel's direction and supervision.

A. They are as follows:

- o Exhibit___(SIOP-1), STEAM CAPITAL PROJECTS AND PROGRAMS, summarizes the Company's Steam capital expenditures for Rate Year 1, Rate Year 2, and Rate Year 3. It also contains separate schedules with breakdowns for Steam Production and Steam Distribution.
- o Exhibit___(SIOP-2), STEAM O&M PROGRAM CHANGE SUMMARY, shows incremental O&M requests relative to the Test Year for Rate Years 1 through 3.
- o Exhibit___(SIOP-3), RATE YEAR FTE SUMMARY, shows the incremental steam operations labor, i.e. full-time equivalent employee ("FTE"), proposals for Rate Year 1.
- o Exhibit___(SIOP-4), ALL STEAM WHITE PAPERS, contains all of this panel's white papers for capital and O&M

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1 programs;

2 o Exhibit___(SIOP-5), STEAM DISTRIBUTION SPECIAL
3 SERVICES UPDATE, reflects updates to charges under the
4 proposed customer special services tariff update.

5 **C. Summary of Funding Requests**

6 Q. Summarize this panel's requested capital funding.

7 A. The Company requests SIOP capital funding of approximately
8 \$166 million in Rate Year 1, \$177 million in Rate Year 2,
9 and \$194 million in Rate Year 3. See Exhibit___(SIOP-1),
10 Schedules 1, 2, and 3.

11 Q. Summarize this Panel's requested O&M funding.

12 A. The Company seeks an increase in O&M funding of \$11.5
13 million in Rate Year 1, an incremental \$1.0 million in Rate
14 Year 2, and an incremental \$1.5 million in Rate Year 3. See
15 Exhibit___(SIOP-2).

16 **D. Steam System Description**

17 Q. Briefly describe the steam system.

18 A. Con Edison's steam system is the largest district-energy
19 steam system in the United States. It serves approximately
20 1,500 customers in Manhattan and runs from the Battery (at
21 the southern tip of Manhattan Island) to 96th Street on the
22 West Side and 89th Street on the East Side. The system is

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1 comprised of approximately 105 miles of mains and service
2 pipes and approximately 3,000 steam manholes. The Company
3 produces steam from five company-owned steam generating
4 stations and purchases steam from one independent steam
5 plant in the Brooklyn Navy Yard.

6 Q. How is the Company's steam business organized?

7 A. The Company's steam business is organized in four groups:
8 (1) Steam Production; (2) Steam Distribution; (3) Steam
9 Services, which covers: Long Range Planning, Operations
10 Planning, Business Development, Technical Applications and
11 Cyber Security, Compliance and Training, and
12 Communications; and (4) the Steam Project Management
13 Office. The Company's Central Engineering organization
14 supports steam capital project design and engineering.

15 **E. Investment Categories and Key Principles**

16 Q. What programs is the Company proposing?

17 A. For both Production and Distribution, we propose the
18 capital and O&M programs and projects discussed in sections
19 2 and 3 of this testimony and in the accompanying white
20 papers. We then discuss allocated O&M and incremental steam
21 operations labor in section 4. We separately discuss steam

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1 decarbonization projects in section 5 to highlight the
2 investments needed to further reduce carbon emissions.

3 Q. What information does each white paper contain?

4 A. The white papers describe and justify each project or
5 program, including descriptions, benefits, funding
6 requirements, and, where applicable, alternatives. The
7 white papers also state whether there is a material impact
8 on disadvantaged communities and greenhouse gas emissions.

9 Q. What principles drive the Company's funding requests?

10 A. The Company's investment strategy is based on two key
11 principles: 1) ensuring that we provide safe and reliable
12 service to current and future customers; investments in
13 this category are known as Core Investments; and 2)
14 supporting the State, New York City, and our customers'
15 clean energy goals; investments in this category are known
16 as Clean Energy Investments.

17 Q. Provide more information about Core Investments.

18 A. Core Investments are required for safe and reliable
19 service, such as investments to replace equipment and
20 assets that can no longer be cost effectively maintained,
21 keep assets in safe working condition, and enhance
22 operational reliability. We implement Core Investments

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1 through both programs (collections of similar projects) and
2 projects (single implementation).

3 Q. What are Clean Energy Investments?

4 A. Clean Energy Investments reduce emissions and help
5 decarbonize the steam system.

6 Q. Is there a relationship between Core Investments and clean
7 energy?

8 A. Yes. Con Edison believes that the steam system is an
9 integral part of the portfolio of solutions necessary to
10 achieve a clean energy future. The steam system provides
11 heat, hot water, and process steam to some of New York
12 City's largest buildings. Many customers, such as hospitals
13 and commercial facilities, cannot reduce emissions through
14 electrification without overcoming significant technical,
15 logistical, and/or economic challenges. Similarly, many
16 non-customer buildings that use gas or oil require a high
17 level of intervention to electrify. These buildings can
18 face costly (even with available subsidies), time-
19 consuming, and disruptive retrofits and construction. In
20 some cases, space limitations for installing new equipment
21 may prevent full electrification. For these customers,

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1 switching to or maintaining steam service is a clean and
2 feasible option.

3 **2. STEAM PRODUCTION PROPOSALS**

4 **A. Steam Production Capital Proposals**

5 Q. How much capital is the Company proposing to invest in its
6 Steam Production facilities?

7 A. The Company is proposing to invest \$89.3 million in Rate
8 Year 1, \$95.2 million in Rate Year 2, and \$112.1 million in
9 Rate Year 3. See Exhibit___(SIOP-1), Schedule 2. These
10 funding levels include the Decarbonization Projects
11 discussed in section 5 below.

12 Q. Briefly describe the types of programs in Steam Production.

13 A. Steam Production programs are all Core programs (except for
14 the Decarbonization Projects we discuss in section 5
15 below). They are primarily focused on ensuring
16 uninterrupted steam service to our customers. These
17 programs are categorized as follows: (1) risk reduction,
18 aiming at upgrades to increase dependability and reduce
19 outages, and civil, structural, and mechanical facilities'
20 upgrades; (2) replacement, for replacing facilities that
21 are failing, poorly performing, or near obsolescence; (3)

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1 environmental, focused on enhancing environmental
2 performance, reducing environmental impact, or ensuring
3 compliance with regulatory requirements; and (4)
4 information technology (IT), aimed at upgrading technology
5 infrastructure and systems to remain compliant and advance
6 business processes.

7 Q. How many Steam Production capital Core programs are being
8 proposed by the Company?

9 A. Fifteen, each of which is a continuing program and detailed
10 in the white papers in Exhibit___(SIOP-4). We believe that
11 these programs are critical to ensuring reliability and
12 quality of service, and we provide some illustrative
13 examples herein.

- 14 • Risk Reduction: The Company is proposing six programs
15 that reduce risk. For example, (1) the
16 Instrumentation and Control Risk Reduction Program,
17 which consists of projects that will increase
18 dependability of instrumentation and control equipment
19 and reduce outages, such as control valve additions,
20 and motor monitoring installations that will gather
21 performance data and improve reliability; and (2) the
22 Civil & Structural- SP program, which will upgrade or

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1 replace buildings and structures vital to the safe and
2 reliable operation of steam facilities, such as
3 multiple roofs.

- 4 • Replacement: The Company is proposing four programs to
5 replace facilities and equipment that are failing or
6 near end of life. For example, (1) the Balance of
7 Plant Replacement Projects - SP program, to replace
8 mechanical equipment used to produce steam or
9 electricity. This includes water tanks, boiler feed
10 pumps, and cooling water piping; and (2) the Power
11 Distribution Replacement Projects - SP program, which
12 replaces failing power equipment necessary for the
13 reliable operation of steam plants, such as the 74th
14 Street diesel generator, 59th Street transformer
15 package boiler, and substation breakers.

- 16 • Environmental: The Company is proposing the
17 Environmental-SP program, which currently contains a
18 project that continues drainage upgrade-related work
19 at 59th Street as part of an ongoing remediation
20 effort; and

- 21 • IT: The Company is proposing four steam-specific IT

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1 projects. For example, this includes the ECC Simulator
2 project, to upgrade our current simulator, which is at
3 the end of its lifecycle, to ensure proper training
4 for energy dispatchers; and the Steam Operational
5 Technology Upgrades program, to replace end-of-life
6 software like services and mobile equipment.

7 **B. Steam Production O&M Program Changes**

8 Q. In total, how much incremental non-labor Steam Production
9 O&M is the Company requesting?

10 A. \$3.55 million in Rate Year 1, an additional \$0.22 million
11 in Rate Year 2, and an additional \$0.05 million in Rate Year
12 3 in incremental O&M. See Exhibit____(SIOP-2), which shows
13 incremental O&M requests relative to the Test Year for Rate
14 Years 1 through 3.

15 Q. Briefly describe the types of Steam Production O&M
16 programs/projects.

17 A. Steam Production O&M programs similarly maintain the
18 ongoing reliability and safety of our system. The Steam
19 Production non-labor O&M programs/projects are as follows:

- 20 • Reliability: there is one program, Boiler Cleaning,
21 which funds all steam plants to perform cleaning of
22 boilers and auxiliary equipment needed to maintain

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1 performance;

2 • Safety programs: there are two programs, Asbestos
3 Removal, which funds the steam plants to perform
4 asbestos removal when encountered to ensure the
5 health and safety of employees; and Facilities
6 Maintenance - Local Law 11, which funds mandatory New
7 York City exterior façade inspections to ensure the
8 safety of the public and Con Edison staff.

9 • IT: There are two projects, both of which also have a
10 capital component: (1) OOWP and Rounds System, to
11 maintain and support the proposed new platform for
12 operating orders and work permits, which will replace
13 outdated functionalities on our current platform;
14 and (2) FUELS Day 2, which would similarly do so for
15 the proposed application upgrade we use to inventory
16 consumption of fuel oil, water, and steam out of and
17 from Steam Generating Stations, to automate processes
18 that are now manual.

19 Each of these is described in the white papers in
20 Exhibit___(SIOP-4).

21 Q. Why is the Company proposing the above incremental Steam
22 Production O&M program changes?

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1 A. Steam Production has had successfully recurring programs
2 that currently require incremental funding. The Asbestos
3 Removal Program requires increased funding due to more work
4 involving areas of the plant known to contain asbestos.
5 The Boiler Cleaning Program's funding is justified by the
6 need for regular, specialized cleaning to maintain boiler
7 performance, prevent costly failures, and ensure regulatory
8 compliance. Facilities Maintenance - Local Law 11 faces
9 higher costs because of stricter inspection mandates, more
10 frequent repairs, and mandatory protective measures
11 required by updated city regulations.

12
13 **3. STEAM DISTRIBUTION PROPOSALS**

14 **A. Steam Distribution Capital Proposals**

15 Q. How much capital is the Company proposing to invest in its
16 Steam Distribution system?

17 A. As shown in Exhibit___(SIOP-1), Schedule 3, the Company is
18 proposing to invest \$77.1 million in Rate Year 1, \$81.4
19 million in Rate Year 2, and \$81.9 million in Rate Year 3.

20 Q. Briefly describe the types of Steam Distribution capital
21 programs.

22 A. Steam Distribution capital programs are all Core

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1 Investments that support the safety and reliability of the
2 steam system and reduce system risks. They can be further
3 categorized as: (1) replacement, which replaces system
4 components that are failing, poorly performing, or near
5 obsolescence; (2) risk reduction, which are proactive
6 upgrades to increase dependability and reduce unscheduled
7 outages; (3) new business investment, which includes
8 purchase, construction, and installation of metering
9 equipment, or purchases to install or replace meters for
10 service changes; and (4) information technology, aimed at
11 upgrading technology infrastructure and systems to remain
12 compliant and advance business processes. The white papers
13 in Exhibit___(SIOP-4) contain more information about each
14 program.

15 Q. How many Steam Distribution capital programs does the
16 Company propose?

17 A. The Company proposes 13 Steam Distribution capital
18 programs. These programs, all of which are existing,
19 support the safety and reliability of our system. A few
20 examples follow.

- 21 o Risk reduction: the Company is proposing five programs
- 22 that upgrade facilities to increase dependability and

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1 reduce outages. For example, the Manhole Rebuild
2 Program, which rebuilds deteriorated manhole
3 structures to maintain reliability and improve public
4 safety; and the Steam Excavation Projects Program,
5 which funds excavations needed to repair steam leaks
6 and upgrade steam distribution system components (like
7 mains and valves).

- 8 o New business: The Company is proposing two programs
9 focused on bringing steam services to new businesses.
10 These are the Meter Purchase and New Business Various
11 Locations programs, which fund (among other things)
12 the various equipment necessary for new customers to
13 hook up to the steam service, like meters and service
14 piping.
- 15 o Replacement: The Company is proposing four replacement
16 programs to replace equipment that is failing or near
17 its end of life. For example, the (1) Main Valve
18 Replacement Program, which funds main replacements and
19 related work, thus reducing future customer outages
20 and interruptions; and (2) Anchor Replacement Program.
21 Anchors protect steam pipes by restraining and
22 absorbing thermal expansion/contraction-related

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stresses of the piping system. Thus, replacing
deteriorated anchors reduces the risk of future leaks;
and

- o Information technology: The Company is proposing two steam-specific IT projects, including Steam GIS Conflation project, which moves Steam Operations mapping to a more unified model that also includes electric and gas commodities; and Kongsberg Model project, which adds mileage to the existing virtual representation of the Company's steam system, thus bettering the display of real-time operational data.

B. Steam Distribution O&M Program Changes

Q. In total, how much incremental non-labor Steam Distribution O&M funding is the Company requesting?

A. The Company requests an incremental \$3.03 million in Rate Year 1, an additional \$0.50 million in Rate Year 2, and an additional \$0.57 million in Rate Year 3 in O&M funding.

Exhibit____(SIOP-2) shows incremental O&M requests for Rate Years 1 through 3 relative to the Test Year.

Q. How many Steam Distribution O&M programs are proposed by the Company?

A. There are three ongoing Steam Distribution O&M programs,

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1 each of which is described in the white papers in
2 Exhibit___(SIOP-4).

3 Q. Briefly describe the types of Steam Distribution O&M
4 programs.

5 A. The Steam Distribution O&M programs will increase public
6 safety and better the steam system's operations. There are
7 two safety programs: Perform Rain and Vapor Patrol, which
8 funds additional personnel during emergency rain events for
9 emergency response purposes; and Remote Monitoring System
10 Enhancement, which funds additional equipment needed for
11 the ongoing expansion of the Company's remote monitoring
12 system. There is also one IT project, Kongsberg Model
13 Enhancement (discussed above as it also has a capital
14 component). The O&M funding is for a software usage license
15 associated with the technology.

16 Q. Are there any Distribution O&M program requests that this
17 Panel would like to further highlight?

18 A. Yes. For the existing Rain and Vapor Patrol Program, the
19 Company requests additional funds to support the
20 improvement of emergency response times during rain events.
21 In lieu of hiring additional full-time staffing, Con Edison
22 determined that we could safely and reliably achieve better

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1 response times during emergency events by retaining
2 additional personnel solely during that limited time.

3 Q. Why is the Company proposing this program?

4 A. In the Joint Proposal in Case 22-S-0659, the Company
5 committed to conducting a 30-minute steam leak/vapor
6 response metric feasibility study and recommending whether
7 the Commission should implement a 30-minute metric for 2026
8 (*Case 22-S-0659, Proceeding on Motion of the Commission as*
9 *to the Rates, Charges, Rules and Regulations of*
10 *Consolidated Edison Company of New York, Inc. for Steam*
11 *Service (2022 Rates Proceeding)*, Joint Proposal (Sep. 1
12 2023); and Order Adopting Terms of a Joint Proposal (Nov.
13 16, 2023)). The Company completed the study in 2025 and
14 concluded that the cost to customers of adding dedicated
15 resources to achieve 30-minute response times is
16 unjustified (*2022 Rates Proceeding, Steam 30-Minute*
17 *Response Metric Report (July 1, 2025)*). However, emergency
18 response times can be improved by strategically adding
19 minimal resources during rain events when vapor complaint
20 call volume increases. Additional details can be found in
21 the white paper in Exhibit___ (SIOP-4) for this Program.

22

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4. ALLOCATED O&M AND INCREMENTAL STEAM OPERATIONS LABOR

Q. In total, how much incremental O&M funding is the Company proposing for shared Company charges?

A. As shown in Exhibit___(SIOP-2), the allocation to Steam for shared Company charges (labor and non-labor) is \$2.70 million for Rate Year 1, an incremental \$0.04 million in Rate Year 2, and an incremental \$0.002 in Rate Year 3.

Q. In total, how much incremental O&M funding is the Company proposing for Steam Business FTEs?

A. As shown in Exhibit___(SIOP-2), the Company is proposing an incremental \$2.18 million in Rate Year 1, an additional \$0.23 million in Rate Year 2, and an additional \$0.90 million in Rate Year 3.

Q. Is a portion of the Company's shared Company charges, such as Shared Services and Corporate IT, allocated to the steam business?

A. Yes.

Q. Why are these costs allocated to the Steam business?

A. Shared Services is the Company's utility support organization that coordinates and handles purchasing of general equipment to support Company operations; manages

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1 hiring, training, and development of employees and
2 contractors; maintains the Company's real estate portfolio;
3 maintains and improves the Company's supply chain
4 infrastructure; and provides human resources support, among
5 other things. It handles such functions for the Steam
6 Business. As such, it is allocated a portion of Shared
7 Services costs.

8 Similarly, the following Con Edison departments provide
9 Company-wide services, including for the Steam Business: IT
10 (which leads technology strategy, compliance, and network
11 design, among other roles), Auditing (which plays a role in
12 corporate governance and internal audit operations),
13 Customer Energy Solutions (which is responsible for
14 customer-facing programs), Law (which provides the Company
15 with legal services), and Corporate Affairs (which leads
16 government relations, communications, and external
17 engagement, among other things). Because these departments
18 handle functions for the entire Company (including for the
19 Steam Business), they are similarly allocated a portion of
20 O&M funding for their respective costs.

21 Q. What is the incremental allocation to Steam for shared
22 Company charges?

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1 A. As stated above, the incremental allocation is \$2.7 million
2 for Rate Year 1, an incremental \$0.04 million in Rate Year
3 2, and an incremental \$0.002 in Rate Year 3. This is based
4 on the Shared Services and IT programs included in the
5 Joint Proposal in the Company's Electric and Gas rate
6 cases, and the common allocation factors in that Joint
7 Proposal for administrative and general expenses across Con
8 Edison's electric, gas, and steam businesses, with an
9 allocation of 4.75% allotted to steam (Case 25-E-0072 et
10 al., *Proceeding on Motion of the Commission as to the*
11 *Rates, Charges, Rules and Regulations of Consolidated*
12 *Edison Company of New York, Inc. for Electric Service* (2025
13 *Electric and Gas Rates Proceedings*), Joint Proposal,
14 Appendix 14 (Nov. 5, 2025). Exhibit___(SIOP-2) reflects
15 the labor and non-labor costs associated with Corporate
16 Information Technology, Shared Services, and other
17 departments based on that 4.75% allocation.

18 Q. Is this Panel proposing any incremental labor specifically
19 for its Steam business?

20 A. Yes, the Company proposes the addition of 20 employees in
21 Rate Year 1 within Steam Operations to support Steam
22 Production, Steam Distribution, Steam Services, and Steam

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1 Project Management Office departments. Exhibit__ (SIOP-3)
2 details the incremental FTEs proposed by the Panel.

3 Q. Why is this Panel requesting incremental FTEs?

4 A. Additional personnel are needed to ensure operational
5 reliability, regulatory compliance, and workforce readiness
6 across expanding programs to meet evolving technical,
7 safety, and policy demands. The specific needs requiring 20
8 additional incremental FTEs in Rate Year 1 are detailed in
9 the white paper titled "Additional FTE Headcount" in
10 Exhibit__ (SIOP-4).
11

12 **5. STEAM DECARBONIZATION PROPOSALS**

13 **A. Background**

14 Q. What is Con Edison's Steam decarbonization plan?

15 A. The Steam decarbonization plan is an evolving portfolio of
16 investments that the Company is proposing to help the State
17 achieve Climate Leadership and Community Protection Act
18 ("CLCPA") and clean energy goals. Investments will also
19 help the Company's steam customers comply with Local Law
20 97's emissions requirements by reducing emissions in the
21 production of steam. The plan builds on the system's
22 history of reducing system-wide emissions through co-

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1 generation and converting to lower emitting fuels.

2 Q. Why is Con Edison proposing Steam decarbonization
3 investments?

4 A. First, Con Edison is committed to a clean energy future.
5 The details of the Company's Clean Energy Commitment as it
6 relates to the steam system are discussed in the Clean
7 Energy Transition Panel testimony. Our Steam
8 decarbonization plan allows us to continue to make progress
9 toward these goals. While steam is the lowest-carbon
10 resource available to our customers today, we plan to
11 continue reducing greenhouse gas emissions to 2050.
12 Second, we want to help the State and City achieve their
13 clean energy goals, and we recognize that a decarbonized
14 steam system will help them achieve those goals.
15 Third, we want to be there for our customers' compliance
16 needs. Our customers are relying on the steam system to
17 help them comply with Local Law 97 and to achieve their own
18 clean energy goals. In particular, a decarbonized steam
19 system could provide a clean alternative for those
20 customers that would otherwise require high levels of
21 intervention to electrify.

22 Q. How do the steam decarbonization projects help the State

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1 achieve CLCPA goals and customers comply with Local Law 97?

2 A. By implementing these decarbonization projects, the Company
3 will actively reduce emissions in the production of steam.
4 Additionally, for many building owners that use oil or gas,
5 the high cost and logistical and technical challenges of
6 electrification render it impractical. The option of
7 switching to steam provides customers with another reduced-
8 emissions energy option in their effort to comply with
9 Local Law 97. Additional discussion of how decarbonization
10 of the steam system will support emissions reductions for
11 our customers and reductions in their penalties under Local
12 Law 97 is found in the Clean Energy Transition Panel
13 testimony.

14 **B. Proposed Steam Production Decarbonization Investments**

15 Q. Did the Company file a petition related to Steam
16 Decarbonization investments?

17 A. Yes, in accordance with the Joint Proposal and the Order
18 Adopting Terms of a Joint Proposal in the *2022 Steam Rates*
19 *Proceeding*, which authorized the Company to petition the
20 Commission for approval and funding of future
21 decarbonization projects, the Company submitted
22 decarbonization projects for expedited approval in Case 25-

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1 *S-0350, Petition of Consolidated Edison Company of New*
2 *York, Inc. for Authorization and Cost Recovery for Early*
3 *Deployment Steam Decarbonization Projects and a Low-Carbon*
4 *Fuels Pilot Program*, petition filing date May 21, 2025 (the
5 "Decarbonization Proceeding").

6 Q. Are any of the decarbonization projects being submitted in
7 this filing also part of the Decarbonization Proceeding?

8 A. Yes, all the projects being submitted as part of this rate
9 proceeding (discussed further below) were submitted in the
10 Decarbonization Proceeding.

11 Q. Why has the Company included these decarbonization projects
12 in this rate filing now?

13 A. The timing for Commission action on the Decarbonization
14 Proceeding is not yet known, and these projects are
15 important for reducing steam system emissions, so the
16 Company is pursuing funding in both proceedings. Should the
17 Commission act on the petition in the Decarbonization
18 Proceeding before the conclusion of this rate proceeding,
19 the Company will adjust its decarbonization requests
20 accordingly.

21 Q. How much capital is the Company proposing to invest in the
22 proposed Steam decarbonization projects?

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1 A. The Company plans to invest \$27.1 million in Rate Year 1,
2 \$53.5 million in Rate Year 2, and \$70.8 million in Rate Year
3 3. See Exhibit___(SIOP-1), Schedule 2. These costs are
4 included within the calculation of Steam Production Capital
5 costs but are broken out above for clarity.

6 Q. Which decarbonization projects and programs is the Company
7 proposing in this rate proceeding?

8 A. There are three capital projects, as follow: (1) 74th Street
9 Electric Boiler Installation; (2) East River Industrial
10 Heat Pump Installation; and (3) Steam Digital Optimization
11 Phase 2. There is also a Low-Carbon Fuels Pilot Program.

12 Q. Which of the projects does this Panel describe?

13 A. The white papers associated with the heat pump, electric
14 boiler, and optimization software projects are in
15 Exhibit___(SIOP-4). Note that while the decarbonization
16 project-related white papers contain emissions information,
17 specific emissions reduction calculations and summaries are
18 detailed in the Clean Energy Transition Panel.

19 Q. Where is supporting testimony on the Low-Carbon Fuels Pilot
20 Program?

21 A. The program is sponsored by the Company's Steam Fuel Panel.

22 Q. How do these investments fit into the Company's overall

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1 strategy?

2 A. These investments will advance our goals towards
3 decarbonizing the steam system. They are early deployment
4 projects, which facilitate the integration of new
5 decarbonized production assets. The proposed projects are
6 anticipated to decrease steam system emissions by an
7 estimated 21% by 2030, contingent on a partially
8 decarbonized electric grid and dispatch strategy, are
9 scalable and compatible under varying decarbonization
10 pathways, and they will establish a foundation for future
11 decarbonization investments. Calculations on the estimated
12 emissions reduction, are contained in Exhibit___(CETP-11)
13 (STEAM DECARBONIZATION EARLY DEPLOYMENT PROJECTS EMISSIONS
14 REDUCTIONS SUMMARY).

15 Q. What does each white paper describe about each
16 decarbonization project?

17 A. For consistency with the *2022 Steam Rate Proceeding's* Joint
18 Proposal, the white papers list 12 categories of
19 information, and address each category where feasible,
20 applicable, or the information is available.

21 Q. What are the 12 categories?

22 A. The 12 categories are: (1) project maturity and an

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1 explanation of why the Commission should approve the
2 project at that level of maturity; (2) preliminary project
3 design; (3) project feasibility, including, as applicable,
4 material assumptions or uncertainties; (4) project location
5 or potential locations; (5) estimated project cost and
6 estimate details; (6) proposed timeline for installation
7 and final commissioning; (7) how the project contributes
8 to, advances, or is otherwise consistent with Con Edison's
9 planning or applicable decarbonization goals; (8)
10 measurements or other results the Company plans to monitor;
11 (9) potential emissions reductions, including measurement
12 and verification plan; (10) other benefits that may be
13 produced or derived from the Project; (11) the explanation
14 of the use of a phased approach and description of phases;
15 and (12) the project's potential impact on electric
16 reliability and resulting operating restrictions.

17 Q. Do the white papers address other topics?

18 A. The white papers also state whether there is a material
19 impact on disadvantaged communities and greenhouse gas
20 emissions, and the contribution of the project to CLCPA
21 goals.

22 Q. Has the Company expended any funds on Steam Decarbonization

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1 projects as allotted in the Joint Proposal for the 2022
2 *Steam Rate Proceeding?*

3 A. Yes, as of August 2025 the Company has spent approximately
4 \$490,000 on Steam decarbonization projects, including the
5 Industrial Heat Pump project, Thermal Energy Storage, and
6 the Hot Water Loop Study. The Company has also contracted
7 (or is in the process of contracting) an additional \$1.8
8 million on the Industrial Heat Pump project.

9 Q. Is the Company seeking funding for the Steam
10 Decarbonization projects through government programs?

11 A. Not at this time. The Company will continue to assess
12 whether opportunities for external funding become
13 available.

14 Q. How would you describe the cost effectiveness of the
15 proposed decarbonization investments, and what analysis has
16 the Company completed to determine this?

17 A. The proposed decarbonization investments are cost effective
18 compared to the future costs of climate damages. The Clean
19 Energy Transition Panel discusses how these costs compare
20 to the Department of Environmental Conservation's metrics
21 on the Social Cost of Carbon, which the State recommends
22 considering when assessing decarbonization investments. The

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1 Clean Energy Transition Panel also describes the fines
2 under Local Law 97 and the comparative customer cost of
3 electrification as a decarbonization alternative.

4 **C. Other Decarbonization-Related Issues**

5 Q. Does the Company intend to complete future decarbonization
6 studies?

7 A. Yes, the Company proposes to defer up to \$5 million for
8 future decarbonization studies that will incorporate recent
9 information regarding regulatory and policy changes,
10 customer adoption and sales projections, energy supply
11 buildout and costs, and developing decarbonization
12 technologies. See also the direct testimony of the
13 Company's Accounting Panel.

14 Q. Why is the proposed study important?

15 A. There are many factors that could meaningfully influence
16 decarbonization planning, such as the evolving Department
17 of Environmental Conservation Part 253 emissions reporting
18 requirements, adjustments to renewable energy or storage
19 goals (such as the increase in the statewide storage goal
20 from 3 to 6 gigawatts), State Energy Plan updates, Federal
21 clean energy policy changes, and New York City policy
22 changes. Decarbonization planning must be able to adapt to

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1 these changing factors.

2 Q. Is the Company proposing a thermal energy storage project
3 in this proceeding?

4 A. No. Although thermal energy storage remains a promising
5 technology for long-term decarbonization, it presents cost
6 challenges, so we do not believe thermal energy storage is
7 appropriate to pursue in this proceeding. Con Edison has
8 also withdrawn its request for authorization to construct
9 and recover costs for the Thermal Energy Storage Project in
10 the Decarbonization Proceeding.

11 Q. Is Con Edison proposing a district hot water loop project?

12 A. No. In the *2022 Steam Rates Proceeding*, the Company
13 proposed a district hot water loop study, which was
14 intended to assess the potential for re-use of district
15 steam customer condensate to offset neighboring buildings
16 fossil fuel consumption through the creation of a hot water
17 loop energy resource. The Company will not propose that
18 project in this rate case. Con Edison completed a District
19 Hot Water Loop (DHWL) Study in August 2025 and will be
20 filing a summary report of the findings within Case 22-S-
21 0659 (estimated by end of year 2025).

22 Q. Is the Company interested in other future decarbonization

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1 efforts?

2 A. As discussed above, there are many evolving factors
3 impacting decarbonization planning. Accordingly, the
4 Company may pursue other projects in the future, in
5 accordance with the Future Steam Decarbonization Approval
6 Mechanism referenced in the Joint Proposal (and Order
7 adopting terms thereof) in the *2022 Steam Rates Proceeding*,
8 or as otherwise permitted.

9 **D. Other Clean Energy Efforts**

10 Q. Is the Company developing other clean energy initiatives?

11 A. Yes. We are developing a Voluntary Clean Steam program that
12 would allow customers to choose decarbonized steam supply.
13 Refer to the Clean Energy Transition Panel for further
14 detail.

15 **6. TARIFF UPDATES**

16 Q. Are there any tariff changes being proposed?

17 A. Yes. The Company is proposing: (1) changes to the Steam
18 Distribution customer special services rate; (2) a steam
19 promotional rate; (3) changes to the existing Steam air
20 conditioning (AC) discount rate; and (4) changes to reflect
21 the Low Carbon Fuels Pilot Program. Note that the Low
22 Carbon Fuels Pilot Program is discussed in the Steam Fuel

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1 Panel, with tariff changes described in the Steam Rate
2 Panel.

3 **A. Steam Distribution Customer Special Services**

4 Q. What is the Steam Distribution customer special services
5 charge?

6 A. Upon the customer's request and at the customer's expense,
7 the Company will perform the following special services at
8 the updated rates specified, including:

- 9 • Temporary disconnection and/or reconnection of
10 service;
- 11 • Investigation at the premises;
- 12 • Steam repairs; and
- 13 • Labor charge rates for other customer requests.

14 Q. Does the Exhibit___(SIOP-5), titled "STEAM DISTRIBUTION
15 SPECIAL SERVICES UPDATE," reflect the updates to charges
16 under this tariff update?

17 A. Yes. The Company has updated the cost of labor, materials,
18 and other costs associated with these charges, so these
19 updates now reflect the current costs to the Company.

20 Q. Where can the associated revised tariff language be found?

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1 A. See the Steam Rate Panel Testimony for the specific tariff
2 language related to these changes.

3 **B. Steam Promotion Rate**

4 Q. What is the discounted Steam Promotion Rate?

5 A. This tariff change proposes that new customers, such as
6 those converting to steam service from oil or gas heating,
7 and existing customers connecting new, additional loads
8 receive a discount on steam usage above the first rate
9 block for ten years. This proposal subsumes the Discount
10 Steam Promotion Rate filed March 31, 2025 (which has not
11 yet gone into effect) under the *2022 Rates Proceeding*.

12 Q. Why is Con Edison proposing this discounted promotion rate?

13 A. Con Edison is cognizant of affordability concerns for its
14 existing customer base. When more customers join the
15 system, the fixed costs of operating and maintaining the
16 steam infrastructure are spread across a larger base. This
17 broader distribution of costs helps to reduce the per-
18 customer share of those expenses. The increased revenue
19 from new customers, despite the initial discount, can help
20 offset the costs that would otherwise be borne solely by
21 existing customers.

22

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1 Q. How will this promotional rate attract new customers?

2 A. The 2024 Steam Business Development Plan (*see 2022 Rates*
3 *Proceeding*, 2024 Steam Business Development Plan, Dec. 27,
4 2024, p. 11) identifies over one hundred buildings whose
5 onsite boilers are at or beyond their useful life and are
6 close enough to steam distribution mains to cost-
7 effectively connect to district steam as a decarbonization
8 solution compared to electrification. Con Edison's outreach
9 determined that many of these buildings were hesitant to
10 switch to steam given cost concerns. And as the Steam
11 Forecasting Panel shows, the Company does not forecast a
12 large increase in new business volumes. One factor driving
13 hesitancy to connect is the cost differential between
14 district steam and customer self-supplied onsite generation
15 with gas or oil. This discount rate may attract those
16 potential customers who would not otherwise join the steam
17 system.

18 Q. Where can the revised tariff leaves and details of the
19 discount levels be found?

20 A. See the Steam Rate Panel Testimony for the methodology for
21 the discount rate and specific tariff language related to
22 these changes.

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1 **C. Steam AC Discount**

2 Q. Describe the current Steam AC Discount.

3 A. The existing Steam AC Discount applies \$2/Mlb off rates
4 after the first rate block under Service Classifications 2
5 and 3. It is in effect for two years from when a customer
6 applies for it. It provides a two-third discount between
7 the base costs and the full summer rate.

8 Q. Why is the Company proposing an update to the Steam AC
9 discount?

10 A. The Steam AC rate has not changed since 2000 and is due for
11 an update to reflect current steam rates and fuel costs. As
12 described in the Steam Forecasting Panel, many customers
13 with steam chillers also have electric chillers. Most steam
14 chillers in service today are decades-old, and customers
15 often replace them with electric chillers or only run the
16 steam chillers on days when electric demand response is
17 called. This update will encourage steam chiller use, which
18 has benefits for both steam and electric customers.

19 Q. What is the proposed update to the steam AC discount and to
20 whom will it be extended?

21 A. The updated steam AC discount will be extended to all new
22 and existing steam AC customers. It will feature an

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1 increased discount above a threshold and a longer discount
2 period of 10 years, up from two years. The exact dollar
3 value of the discount will vary, but is based on two-thirds
4 of the margin above the base cost of fuel from the usage
5 base rates and the demand base rates, for a contribution to
6 system costs of about one-third. See the Steam Rate Panel
7 for more specificity on the discount terms.

8 Q. What are the benefits for steam customers of updating the
9 Steam AC rate?

10 A. This discount has three key benefits for steam customers:

11 (1) support for variance (line loss) reduction; (2)
12 potential to increase sales, which would reduce rate
13 pressure across all customers; and (3) support for
14 continued low annual average steam emissions intensity
15 (emissions per pound), which are a factor in Local Law 97
16 building emissions penalties.

17 First, steam variance is partly driven by steam demand,
18 which affects the rate of condensation in the distribution
19 lines. Variance reduction supports more efficient system
20 operations and cost savings because fuel costs for
21 production are paid for by all customers. In the past three
22 years, more steam summer AC demand correlated with a 5%

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1 reduction in steam variance. Encouraging greater summer
2 demand for steam through rate design should increase steam
3 flows and lower system variance. For further details on the
4 factors driving variance, refer to the Steam Fuel Panel.

5 Second, increased summer demand could increase steam sales,
6 which in turn reduces rate pressure across customers.

7 Third, the current use of steam AC helps reduce the overall
8 annual emissions of the steam system because most summer
9 steam production uses waste heat capture from cogeneration

10 at East River, which has zero emissions attributable to
11 steam, as described in the Clean Energy Transition Panel.

12 Having a larger proportion of zero-emissions production in
13 the annual average emissions supports Steam's continued low
14 emissions rates under Local Law 97. It is important for
15 customers to retain and use their steam chillers to keep
16 Steam's overall annual average emissions low.

17 Q. What trends has the Company seen with respect to steam AC
18 use by customers?

19 A. We have seen significant loss of steam AC customer loads
20 since 2009. In 2009, our average AC load for a Service
21 Classification 2 Rate II customer during the July and
22 August periods was about 4,400 Mlb. In 2025, that average

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1 load dropped to about 2,300 Mlb.

2 Q. What is driving the lower steam AC use, and how will the
3 steam AC promotional rate help counter that?

4 A. We believe that many customers are currently using steam
5 chillers primarily for demand response purposes and
6 therefore not running them for most of the summer due to
7 steam's higher costs. Many of these customers can run their
8 steam chillers more continuously during the summer and may
9 use steam chillers more if the rates were more attractive.

10 Q. What are the benefits of this discount to electric
11 customers?

12 A. There are also potential benefits for electric customers
13 and the electric grid associated with the discount. The
14 cogen units at East River are primarily run to meet steam
15 demand. Without demand, they run less, which means that
16 electric demand is met by other electric suppliers. In the
17 allocation structure for the East River cogen Units,
18 electric customers have the benefit of being exposed to
19 below-market costs. This means that electric customers may
20 receive lower-cost power if the cogen units run more. From
21 October 2024 through October 2025, electric customers saved

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1 \$33 million in electrical production due to the cogen units
2 operating below market prices.

3 Q. How much electric consumption does steam AC use offset
4 today?

5 A. Around 800 MWh of electric volumetric load.

6 Q. How can increased steam summer loads cause increased
7 benefits to the State in terms of emissions reductions of
8 cogeneration?

9 A. As detailed in Exhibit___(CETP-10), producing steam and
10 electricity through cogeneration avoids the emissions of
11 producing each separately. Increasing the amount of steam
12 produced through cogeneration helps support overall lower
13 emissions as long as alternative electric production is
14 provided with fossil fuels, which is the case for most
15 power produced in New York City.

16 Q. Where can the revised tariff language detailing the
17 discount rate and the new thresholds for Steam AC rates be
18 found?

19 A. See the Steam Rate Panel Testimony for the methodology for
20 the updated discount rate and specific tariff language
21 related to these changes.

22

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1 Q. Does this complete the Panel's testimony?

2 A. Yes.