Paul A. Colbert
Associate General Counsel
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June 1, 2020

Hon. Michelle L. Phillips
Secretary
New York State Public Service Commission
Agency Building 3
Albany, NY 12223-1350

Re: Cases 17-E-0459, 17-G-0460 - *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Electric & Gas Service*; Earnings Adjustment Mechanisms Report (Q1 2020)

Dear Secretary Phillips:

Pursuant to Appendix W of the Joint Proposal adopted by the New York State Public Service Commission in its *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan* in the above referenced cases, Central Hudson Gas & Electric Corporation submits its quarterly report on the Company's electric and gas earnings adjustment mechanisms ("EAMs") for the quarter ended March 31, 2020.

Questions regarding the report may be directed to Melanie Noye (mnoye@cenhud.com or 845-486-5483).

Respectfully submitted,

/s/*Paul A. Colbert*

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Earnings Adjustment Mechanisms: First Quarter 2020 Report

Cases 17-E-0459 and 17-G-0460

June 1, 2020

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I. Introduction

Pursuant to Appendix W of the Joint Proposal adopted by the New York State Public Service Commission (the "Commission") in its *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan*[1] *("Rate Plan Order"),* Central Hudson Gas & Electric Corporation (the "Company") submits the quarterly report on the Company's electric and gas earnings adjustment mechanisms ("EAMs") for the quarter ended March 31, 2020.

There are five categories of EAMs for electric, comprised of a total of seven performance metrics, and one gas EAM performance metric. Each metric contains targets that are set at minimum, midpoint and maximum performance levels. The Company will earn pre-tax earnings adjustments on a prorated basis for performance between the minimum and midpoint performance levels, and between the midpoint and maximum performance levels.

The EAMs incentivize Central Hudson to: 1) increase electric system efficiency through peak reduction and distributed energy resource utilization; 2) increase achieved electric and gas energy efficiency; 3) reduce residential and commercial customers' electric energy intensity (total usage on a per customer basis); 4) increase residential customer participation in voluntary Time of Use Rates; and 5) reduce carbon emissions through increased penetration of emissions-reducing technologies.

Per the Rate Plan Order, the annual electric EAM minimum, midpoint, and maximum targets and associated positive revenue adjustments are listed in Figure 1 below.

[1] Cases 17-E-0459 and 17-G-0460, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan (issued June 14, 2018)

Figure 1: EAM Table per Rate Plan Order[2]

Electric EAMs		Incentive ($)				Target			
Metric (Unit)		2018	2019	2020	2021	2018	2019	2020	2021
Peak Reduction (MW)	Min	65,000	136,800	150,300	157,000	1,091	1,079	1,046	1,022
	Mid	162,500	342,000	375,750	392,500	1,083	1,065	1,026	997
	Max	325,000	684,000	751,500	785,000	1,072	1,042	990	949
DER Utilization (MWh)	Min	32,500	68,400	75,150	78,500	4,837	5,243	5,649	6,054
	Mid	97,500	205,200	225,450	235,500	5,522	5,928	6,333	6,739
	Max	162,500	342,000	375,750	392,500	6,207	6,612	7,018	7,424
Energy Efficiency (gross MWh)	Min	130,000	273,600	300,600	314,000	53,262	53,262	53,262	53,262
	Mid	227,500	478,800	526,050	549,500	63,658	63,658	63,658	63,658
	Max	487,500	1,026,000	1,127,250	1,177,500	79,102	79,102	79,102	79,102
Residential Energy Intensity (MWh/customer)	Min	81,250	171,000	187,875	196,250	7.68	7.60	7.52	7.44
	Mid	162,500	342,000	375,750	392,500	7.59	7.51	7.44	7.36
	Max	243,750	513,000	563,625	588,750	7.51	7.43	7.35	7.27
Commercial Energy Intensity (MWh/customer)	Min	81,250	171,000	187,875	196,250	48.24	47.90	47.56	47.22
	Mid	162,500	342,000	375,750	392,500	48.05	47.71	47.36	47.02
	Max	243,750	513,000	563,625	588,750	47.85	47.51	47.17	46.83
Residential VTOU Participation (%)	Min	32,500	68,400	75,150	78,500	1.51%	2.76%	3.99%	5.21%
	Mid	97,500	205,200	225,450	235,500	2.13%	3.87%	5.60%	7.32%
	Max	162,500	342,000	375,750	392,500	2.74%	4.99%	7.22%	9.43%
EBE (Lifetime Tons CO2)	Min	81,250	171,000	187,875	196,250	4,257	8,514	8,514	8,514
	Mid	162,500	342,000	375,750	392,500	12,123	24,245	24,245	24,245
	Max	243,750	513,000	563,625	588,750	19,988	39,976	39,976	39,976
Interconnection (Developer Satisfaction)	Min	32,500	68,400	75,150	78,500	TBD			
	Mid	81,250	171,000	187,875	196,250				
	Max	162,500	342,000	375,750	392,500				
Total Potential Electric EAM Incentive	Min	536,250	1,128,600	1,239,975	1,295,250				
	Mid	1,153,750	2,428,200	2,667,825	2,786,750				
	Max	2,031,250	4,275,000	4,696,875	4,906,250				

Per the Rate Plan Order, the annual gas EAM minimum, midpoint, and maximum targets and associated positive revenue adjustments are as follows:

Gas EAMs		Incentive ($)				Target			
Metric (Unit)		2018	2019	2020	2021	2018	2019	2020	2021
Energy Efficiency (gross MMBtu)	Min	60,000	128,750	146,500	155,500	58,016	58,016	58,016	58,016
	Mid	120,000	257,500	293,000	311,000	68,864	68,864	68,864	68,864
	Max	180,000	386,250	439,500	466,500	87,867	87,867	87,867	87,867

[2] In its April 24, 2019 Order Eliminating Interconnection Earnings Adjustment Mechanisms in Cases 16-M-0429 and 14-M-0101,the Commission directed utilities to terminate interconnection earnings adjustment mechanisms ("IEAMs") and eliminate the IEAM basis points that were reserved as a potential opportunity to earn.

II. EAM Status Summary

The Company is currently projecting to achieve EAMs on environmentally beneficial electrification and DER utilization. Below is a brief status summary:

- **Peak Reduction:** As of March 31, 2020, it is too early to determine if the Company will meet the minimum MW target. The peak will occur in either Q2 or Q3 and the final calculation depends on the amounts actually curtailed from contracted resources enrolled in the NYISO Installed Capacity-Special Case Resource program. This data will not be available until December 2020.

- **DER Utilization:** As of March 31, 2020, the Company has achieved the maximum target.

- **Energy Efficiency:** Through the end of the first quarter, Central Hudson has achieved approximately 29% of the minimum Electric Energy Efficiency target and approximately 12% of the Gas Energy Efficiency target. It is too early to determine if the Company will exceed the minimum electric and gas target during the year.

- **Voluntary Time of Use:** As of March 31, 2020, the Company has not met this metric.

- **Energy Intensity:** Central Hudson has not met either the residential or commercial metrics as of March 31, 2020.

- **Environmentally Beneficial Electrification:** As described in the Company's Carbon Reduction Implementation Plan filing[3], the Company began a program to reduce carbon emissions through outreach campaigns and incentives meant to increase the penetration of emissions-reducing technologies. The technologies include electric vehicles ("EV"), air source heat pumps ("ASHP"), and ground source heat pumps ("GSHP"). As of March 31, 2020, the Company has exceeded the minimum target and achieved approximately 88% of the mid target.

Figure 2 below details the year-to-date achievements towards each EAM as well as the dollars earned towards each EAM as of March 31, 2020.

[3] Cases 17-E-0459 and 17-G-0460, Central Hudson Carbon Reduction Implementation Plan (filed August 30, 2018)

Figure 2: Actual YTD Results through March 31, 2020

Earnings Adjustment Mechanism	Actual YTD Results through 3/31/20	Earnings Adjustment through 3/31/20
Electric EAMs		
System Efficiency		
Peak Reduction (MW)	N/A	N/A
DER Utilization (MWh)	17,652	$375,750
Energy Efficiency		
Electric Energy Efficiency (MWh)	15,430	N/A
Res. Electric Energy Intensity (MWh/customer)	8.07	N/A
Comm. Electric Energy Intensity (MWh/customer)	49.12	N/A
Customer Engagement		
Residential Voluntary Time of Use (%)	0.36%	N/A
Environmentally Beneficial Electrification		
Beneficial Electrification (Lifetime Tons CO2)	21,275	$340,279
Gas EAMs		
Energy Efficiency		
Gas Energy Efficiency (MMBtu)	6,720	N/A

Section III provides a more detailed description of the above EAMs, as well as the Company's activities that contribute to the underlying performance metrics.

III. EAM Progress and Action Taken

A. Electric EAMs

System Efficiency

The System Efficiency EAM is composed of two metrics: Peak Reduction and Distributed Energy Resources ("DER") Utilization.

Peak Reduction

The Peak Reduction EAM metric incentivizes Central Hudson to reduce its peak coincident with the New York State Independent System Operator ("NYISO") Zone G-J Locality peak.

Achievement of the Peak Reduction metric will be calculated as:

a) The weather-normalized demand on the Central Hudson system at the hour of the NYISO Zone G-J Locality peak in each measurement period, plus

b) Actual curtailment from contracted resources enrolled in the New York Independent System Operator's ("NYISO") Installed Capacity – Special Case Resource program during the NYISO Zone G-J Locality peak hour.

The weather normalization will be calculated utilizing the same methodology that is used to calculate the Company's weather-normalized New York Control Area ("NYCA") coincident system peak for its annual submission to the NYISO.

As of March 31, 2020, it is too early to determine if the Company will meet the minimum MW target. The peak will occur in either Q2 or Q3 and the final calculation depends on the amounts actually curtailed from contracted resources enrolled in the NYISO Installed Capacity-Special Case Resource program. This data will not be available until December 2020.

DER Utilization

The DER Utilization EAM metric incentivizes Central Hudson to work with third parties to expand the use of DER resources in the Company's service territory. This metric will measure the sum of the annualized megawatt hours ("MWh") from incremental DER in Central Hudson's service territory, including large solar, combined heat and power, stand alone or behind the meter electric energy storage resources, and fuel cells. The DER Utilization metric is calculated as follows:

DER Utilization (MWh) =
Community PV MWh annualized production
+ Combined heat and power ("CHP") MWh annualized production
+ Fuel cell MWh annualized production
+ Battery storage MWh annualized discharge
+ Battery storage MWh annualized charging

Annualized production is calculated as follows:

Technology	Annualized MWh Calculation	MW Installed	MWh
Community PV production	= MW installed * 13.4% capacity factor * 8,760 hours	15.0378	17,652

CHP production	= MW installation * 85% capacity factor * 8,760 hours	0	0
Fuel cell production	= MW installation * 91% capacity factor * 8,760 hours	0	0
Battery Storage discharge	= [Daily battery inverter discharge rating (MWh)] * [365 days per year]	N/A	N/A
Battery Storage charging	= [Daily battery inverter discharge rating (MWh)] * [365 days per year]/[83% round trip efficiency]	N/A	N/A

Through March 31, 2020 Central Hudson has achieved the maximum target.

Energy Efficiency

The Energy Efficiency EAM is comprised of three metrics: Electric Energy Efficiency, Residential Energy Intensity, and Commercial Energy Intensity.

Electric Energy Efficiency

This metric will be measured as the sum of MWh savings from all of Central Hudson's administered electric energy efficiency programs, including behavioral programs, which may be utilized to achieve MWh targets.

As a precondition to earning the incentive associated with this metric, the Estimated Useful Life ("EUL") of the Company's EE program portfolio must be 7.9 years or greater. The Company will earn a linearly prorated share of the incentive if the achieved EUL is between 7.9 and 10 years. Where the Company's EUL of its EE program portfolio is greater than or equal to its historical EUL of 10, the Company would be able to earn 100% of this EAM incentive. Electric energy efficiency savings will be calculated consistent with the current standard practices utilized in the Company's ETIP filings and prescribed by the NYS Technical Resource Manual.

Through March 31, Central Hudson has achieved approximately 29% of the minimum Electric Energy Efficiency target. Central Hudson is making every effort to reach this target, but it is too early to determine if the target will be met. The EUL as of March 31 is currently estimated to be approximately 10, driven by the larger percentage of savings from our behavioral program within the electric energy efficiency portfolio.

As of March 31, 2020, lighting and behavioral programs continue to be the main drivers of energy efficiency savings. These programs account for approximately 80% of the total energy efficiency savings year to date. The following paragraphs describe the Company's efforts to diversify the current portfolio.

Central Hudson's energy efficiency team is continually trying to increase energy efficiency savings through existing programs for both residential and commercial customers. The team also meets with current and potential vendors on a regular basis seeking new and innovative programs and technologies to expand energy efficiency savings. A brief explanation of the programs available during 2020 is shown below. For more information on Central Hudson's 2020 energy efficiency programs, please see the 2017-2020 ETIP[4] filing. For 2020 program plans, please see the SEEP[5] filing.

For residential customers, the Company partners with Sealed Inc. to provide customers with home energy audits. Sealed also offers customers the ability to finance a portion of the home improvements, making the upgrades accessible to more customers. Residential customers are eligible to shop the CenHub Store, receive rebates for installing high efficiency HVAC equipment, and recycling their refrigerator and/or freezer. Furthermore, residential customers can visit stores that offer point of sale options such as lighting, low-flow showerheads, smart thermostats and heat pump water heaters. Finally, the Company engages customers through a behavioral program aimed at increasing participation in energy efficiency programs.

The Company is considering other point of sale options. The technologies under consideration are: air purifiers, clothes washers, dehumidifiers, and dishwashers.

During 2020, commercial customers are eligible for three programs that include prescriptive and custom measures, as well as a direct install option that focuses on lighting upgrades. The Prescriptive program offers traditional energy efficiency measures such as LED lighting, HVAC, and other more typical energy savings measures. The Custom program offers non-traditional measures to suit customer's energy efficiency needs. The customer is allowed flexibility to choose their own contractor for both the Prescriptive and Custom programs. The Small Business Direct Install program provides customers with a full turnkey solution that begins with a free audit continuing through to installation and final walk-through. After an audit is complete, a proposal of new energy efficiency upgrades is provided for the customer's consideration. Financing is also available for customers participating in the small business direct install program.

Residential Energy Intensity

The Residential Electric Energy Intensity EAM metric incentivizes Central Hudson to reduce residential (Service Classes 1 and 6 TOU) customers' total usage on a per customer basis. This metric is measured as the annual residential MWh sales divided by the 12-month average number of residential customers. Within this calculation the annual residential MWh sales will

[4] Central Hudson Gas & Electric 2017-2020 Energy Efficiency Implementation Plan, filed December 21, 2017
[5] Central Hudson Gas & Electric System Energy Efficiency Plan, filed February 19, 2019

be: 1) normalized to correct for the weather related impacts on electricity sales, 2) reduced by the aggregate MWhs produced by Community Distributed Generation resources and allocated to residential customers through the value stack tariff, and 3) adjusted to exclude the impacts of environmentally beneficial electrification such as new load from heat pumps and electric vehicles.

The Residential Electric Energy Intensity metric is calculated as:

$$\frac{(weather\ normalized\ MWh\ sales) - (MWh\ CDG\ allocations) - (MWh\ sales\ associated\ with\ EVs\ or\ heat\ pumps)}{12\ month\ average\ number\ of\ residential\ customers}$$

Within this formula the following components are defined as follows:

- The Weather Normalization Methodology reflects the weather normalization methodology in the Department of Public Service Commission's Staff ("Staff") energy intensity exhibits filed within this proceeding.

- MWh allocations associated with CDG are derived from the process the Company utilizes to apply monetary credits to the customers of CDG facilities that are applicable for Value Stack compensation or any replacement compensation developed within the Value of DER proceeding.

- Annual MWh sales associated with the impacts of identified beneficial electrification technologies are shown below:
    - Electric vehicles, including plug-in hybrids ("EV"): 3.9 MWhs
    - Air-source heat pumps ("ASHP") and Ground-source heat pumps ("GSHP"): 4.5 MWhs

As of March 31, 2020 the Company achieved 8.07 MWh per customer while the minimum target was 7.52 MWh per customer. Central Hudson is making an effort to reach this target, but it is too early to determine if the target will be met.

The Company is using various methods to assist in reducing kWh sales on a per customer basis. Some of these methods include Insights+, CenHub Store, and other education and outreach. Insights+ is a voluntary program where customers pay a small monthly fee to obtain hourly electric usage that allows them to view and better understand their energy consumption. Other education and outreach efforts include involvement in many community events discussing the benefits of energy efficiency with customers. The Company is currently implementing a school

education program designed to educate children on the importance of energy efficiency and encourage them share that knowledge with their families.

Commercial Energy Intensity

The Commercial Electric Energy Intensity EAM metric is designed to incentivize Central Hudson to engage in efforts which reduce commercial (Service Class 2 non-demand) customers' total usage on a per customer basis. This metric is measured as the annual commercial MWh sales divided by the 12-month average number of commercial customers. Within this calculation, the annual commercial MWh sales will be: 1) normalized to correct for the weather related impacts on electric sales, 2) reduced by the aggregate MWhs produced by Community Distributed Generation resources and allocated to commercial customers through the value stack tariff, and 3) adjusted to exclude the impacts of beneficial electrification such as new load from heat pumps and electric vehicles.

The Commercial Electric Energy Intensity metric is calculated as:

$$\frac{(weather\ normalized\ MWh\ sales) - (MWh\ CDG\ allocations) - (MWh\ sales\ associated\ with\ EVs\ or\ heat\ pumps)}{12\ month\ average\ number\ of\ commercial\ customers}$$

Key components of this calculation are addressed as follows:

- The Weather Normalization Methodology reflects the weather normalization methodology in Staff's energy intensity exhibits filed within this proceeding. MWh CDG allocations are derived from the process the Company utilizes in order to apply monetary credits to the customers of CDG facilities that are applicable for Value Stack compensation or any replacement compensation developed within the Value of DER proceeding.

- Annual MWh sales associated with the impacts of identified beneficial electrification technologies are shown below:
    - Electric vehicles ("EV"): 3.9 MWhs per vehicle
        - EV data for the Company's service territory is obtained from IHS Markit. The data will be received on a three month lag.
    - Air-source heat pumps ("ASHP") and Ground-source heat pumps ("GSHP"): 1.5 MWhs per ton based on system size.

As of March 31, 2020 the Company achieved 49.12 MWh per customer while the minimum target was 47.56 MWh per customer. Central Hudson is making an effort to reach this target, but it is too early to determine if the target will be met.

The Company is in the process of developing a municipal portal to better engage customers. The portal will be a one-stop shop for local governments for energy efficiency information, important newsletters, Central Hudson contacts, account information and more. The anticipated full launch of the portal is late May.

Customer Engagement

The Customer Engagement EAM incentivizes the Company to increase customer participation in the Voluntary Time of Use ("VTOU") rates. As of March 31, 2020, approximately 960 customers (0.36%) were participating in VTOU rates. The Company is making an effort to reach this target, but it is too early to determine if the target will be met. Central Hudson has developed a time of use calculator and an associated outreach and education campaign in order to assist customers in determining if they would benefit from switching to a time of use rate.

Environmentally Beneficial Electrification

The Environmentally Beneficial Electrification ("EBE") EAM metric incentives the Company to reduce carbon emissions by facilitating greater penetration of technologies that utilize electricity and reduce carbon emissions relative to traditional systems that rely on carbon intensive fuel sources. Examples of beneficial technologies include geothermal heating, air source heat pumps for heating, and electric vehicles. The metric will be measured as the lifetime short tons of avoided carbon dioxide from environmentally beneficial electrification technologies as identified in the Company's Carbon Reduction Implementation Plan. The EBE EAM will be measured as the incremental lifetime short tons of avoided carbon dioxide ("CO2") from incremental electric vehicles and heat pumps. Incremental lifetime tons of carbon dioxide will be calculated as the number of incremental units multiplied by the assumed avoided tons of CO2 multiplied by the estimated average technology life.

The carbon reducing impacts in lifetime tons of carbon of each above mentioned technologies are as follows:

Electric Vehicles ("EV"): EV registrations: 142 * 3.8 tons CO2 * 10 years= 5,396
Air-source heat pumps ("ASHP"): ASHP installations: 123 * 6.7 tons CO2 * 15 years= 12,361.5
Ground-source heat pumps ("GSHP"): GSHP installations: 21*6.7 tons CO2*25 years= 3,517.5

As described above and detailed in the Company's Carbon Reduction Implementation Plan filing, the Company began a program to reduce carbon emissions through increased penetration of emissions-reducing technologies. The technologies included are detailed

below. As of March 31, 2020, the Company has achieved approximately 88% of the mid target and projects to reach the mid target by the end of the year.

NYS Clean Heat Transition Plans

The NYS Clean Heat program will replace all of Central Hudson's existing heat pump initiatives on April 1, 2020. Program rules and incentive structures will be consistent with NYS Clean Heat and as such will vary from the programs available prior to April 1, 2020. The Company will consolidate offerings within the new program and make them more inclusive by allowing participation of all electric customers. The new program will promote mini-splits, central ASHP's, ground source heat pumps, and heat pump water heaters across all customer sectors. Current Participating Contractors will be eligible to participate in the NYS Clean Heat program. In coordination with the Joint Efficiency Providers, Central Hudson will provide robust training to Participating Contractors to develop proficiency in the applicable technologies, program rules and procedures, and quality installation practices.

In program years 2020 and 2021, the Company will count the carbon savings for each eligible heat pump installation from any eligible customer type [excluding Heat Pump Water Heaters (HPWH)] installed towards the EBE EAM using the existing EAM calculation.

Air Source Heat Pumps

Central Hudson's ASHP initiative offers incentives to customers currently heating with propane or fuel oil to offset the equipment conversion costs. Central Hudson's staff will administer the program utilizing an implementation contractor in conjunction with the Company's existing Residential HVAC Energy Efficiency initiative. Central Hudson and its implementation contractor will perform marketing activities for program recruitment, customer screening, program tracking, and full support throughout the project lifecycle. Marketing efforts include but are not limited to newspaper ads, bill inserts, and postcards. These efforts are designed to drive customers to our website for more program information and eligibility criteria. Participants can then select a Trade Ally through a network of qualified installers.

Ground Source Heat Pumps (Geothermal)

Central Hudson provides a Rate Impact Credit ("RIC") to eligible customers that install a Geothermal Heat Pump after July 1, 2018. The RIC of $264, will be paid to participating residential customers annually, by June 30th of each year. The credit is designed to offset any additional delivery revenue that the Company would receive from the incremental energy use during the heating season of the geothermal heat pump under the current rate design. The amount has been calculated by comparing estimated revenues under the current

rate design to those which would occur under a more cost based rate design. Additionally, the RIC is funded through the Company's Revenue Decoupling Mechanism ("RDM") and is not included within the CRP funding levels. Following the development of a technology agnostic DER or mass market default rate or a rate that is specifically intended to mitigate the rate impact of geothermal heat pump systems, no further rate impact credits will be paid out.

In order to qualify for the credit, customers must participate in NYSERDA's Geothermal Rebate Program and enroll in Central Hudson's Insights+ program as described above. Following the implementation of the NYS Clean Heat program, customers can instead qualify for this RIC by participating in the NYS Clean Heat program, and enrolling in Insights+.

Electric Vehicles

The Company has developed a new strategic focus on EV Initiatives with the purpose of increasing EV adoption through stakeholder participation and advocacy, increasing the employee EV experience, and demonstrating leadership in EV policy. The strategic approach will focus on Utility Infrastructure, Vehicle Charging, and Advocacy and Education. The initial priority actions include:

- Establishing program leadership and a cross-functional team;
- Developing and implementing an employee program focused on education and adoption;
- Expanding existing advocacy efforts with an "EV Summit" and regular inclusion of EV and EVSE information within other events;
- Establishing outreach to local counties and municipalities; and
- Expanding educational information and resources available on the Company's website,

CentralHudson.com leverages a range of channels to communicate with customers about electric vehicle topics, including e-newsletters, social media, events, press releases, websites, direct mail, vehicle wraps and advertisements. The Company actively collaborates with manufacturers, local advocacy groups and other parties to expand awareness of electric vehicle information and develop new opportunities.

Employees are provided hands-on opportunities to increase their knowledge of electric vehicles and help to encourage electric vehicle adoption within the communities served. The Company currently owns three electric vehicles that are used to educate customers and showcase at local events such as county fairs. The fleet is also available for employees to test drive for an approved period of time and then essentially become ambassadors promoting the technology.

B. Gas EAMs

Energy Efficiency

Central Hudson has been offering gas incentives for both residential and commercial customers since 2010. The objective of the programs is to acquire MMBtu savings through equipment rebates to both residential and commercial customers, as well as a behavioral program for residential customers only.

Similar to electric, the Company's energy efficiency team is focusing on current and potential new gas programs designed to meet MMBtu savings goals. Residential customers can participate in a gas HVAC energy efficiency program and the CenHub Store, the Company's online market place, while commercial customers have Prescriptive and Custom programs available to them.

In addition to the programs listed above, the Company engages customers through a behavioral program aimed at increasing participation in energy efficiency programs.

The Company has achieved savings of 6,720 MMBtu as of March 31, 2020. Central Hudson is making every effort to reach this target, but it is too early to determine if the target will be met.

The Company has expanded the point of sale program to increase savings opportunities for existing residential gas customers, including smart thermostats and low-flow showerheads. Clothes washers are still being considered for inclusion in the gas portfolio.

IV. Conclusion

This Earnings Adjustment Mechanism status report is filed in compliance with the Rate Plan Order. As of March 31, the Company estimates that it achieved $716,029 in earning adjustments. The Company forecasts this amount to increase as additional targets are met through the end of the year.

Appendix: EAM Year to Date Performance through Q1 2020

Cases 17-E-0459 and 17-G-0460
Central Hudson Gas and Electric
Earnings Adjustment Mechanism Report
Quarter Ended March 31, 2020

		Target	2020 Annual Earnings Adjustment Opportunity	Actual YTD Results through 3/31/2020	Earnings Adjustment through 3/31/2020
Electric EAMs					
System Efficiency					
Peak Reduction (MW)	Min	1,046	$150,300	N/A	N/A
	Mid	1,026	$375,750		
	Max	990	$751,500		
DER Utilization (MWh)	Min	5,649	$75,150	17,652	$375,750
	Mid	6,333	$225,450		
	Max	7,018	$375,750		
Energy Efficiency					
Electric Energy Efficiency (MWh)	Min	53,262	$300,600	15,430	N/A
	Mid	63,658	$526,050		
	Max	79,102	$1,127,250		
Res. Electric Energy Intensity (MWh/customer)	Min	7.52	$187,875	8.07	N/A
	Mid	7.44	$375,750		
	Max	7.35	$563,625		
Comm. Electric Energy Intensity (MWh/customer)	Min	47.56	$187,875	49.12	N/A
	Mid	47.36	$375,750		
	Max	47.17	$563,625		

Customer Engagement					
Residential VTOU Participation (%)	Min	3.99%	$75,150	0.36%	N/A
	Mid	5.60%	$225,450		
	Max	7.22%	$375,750		
Environmentally Beneficial Electrification					
Beneficial Electrification (Lifetime Tons of CO2)	Min	8,514	$187,875	21,275	$340,279
	Mid	24,245	$375,750		
	Max	39,976	$563,625		
Gas EAMs					
Gas Energy Efficiency (MMBtu)	Min	58,016	$146,500	6,720	N/A
	Mid	68,864	$293,000		
	Max	87,867	$439,500		
Note: Earnings are pro-rated between minimum, midpoint and maximum target levels, if applicable.					