EXH. DAV-34
DOCKETS NOS. UE-260005/UG-260006
2026 PSE GENERAL RATE CASE
WITNESS: DANIELLE A. VELEZ

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, **Complainant,** **v.** **PUGET SOUND ENERGY,** **Respondent.**	DOCKET NOS. UE-250005 and UG-260006 *(Consolidated)*

EXHIBIT DAV-34 (NONCONFIDENTIAL) TO THE RESPONSE TESTIMONY OF

DANIELLE A. VELEZ

ON BEHALF OF JOINT ENVIRONMENTAL ADVOCATES

July 28, 2026

NON-PIPES ALTERNATIVES IMPLEMENTATION PLAN

CONSOLIDATED EDISON COMPANY OF NEW YORK 4 Irving Pl. New York, NY 10003

File Date: November 18, 2024

Contents

1. Introduction 4
2. Identification of NPAs to Main Replacements 5
2.1 System Need 5
2.2 Project Suitability 6
2.3 Feasibility and Cost-Effectiveness Analysis 7
2.4 Procurement Strategy and Market Solicitation 8
3. Implementation of the Electric Advantage Program 8
3.1 Engagement and Customer Acquisition 8
3.2 Installation Process 10
3.3 Quality Control, Evaluation, Measurement, and Verification 10
3.4 Changes to Identified Electric Advantage Program NPAs 11
3.5 Project Closeout 12
4. Identification of NPAs to Service Line Replacements 12
4.1 System Need 12
4.2 Project Suitability 13
4.3 Feasibility and Cost-Effectiveness Analysis 14
4.4 Procurement Strategy and Market Solicitation 15
5. Implementation of the Energy Exchange Program 15
5.1 Engagement and Customer Acquisition 15
5.2 Installation Process 16
5.3 Quality Control, Evaluation, Measurement, and Verification 18
5.4 Changes to Identified Energy Exchange Program NPAs 18
5.5 Project Closeout 19
6. Identification of Area Load Relief NPAs 19
6.1 System Need 19
6.2 Project Suitability 20
6.3 Feasibility and Cost-Effectiveness Analysis 21
6.4 Procurement Strategy and Market Solicitation 22
6.5 Portfolio Development 23
7. Implementation of Area Load Relief NPAs 24
7.1 Engagement and Customer Acquisition 24
7.2 Quality Control, Evaluation, Measurement, and Verification 26
7.3 Changes to Area Load Relief NPAs 26

7.4 Project Closeout 27
8. Budgeting Expenditures and Collections 28
9. Program Specific Updates 29
9.1 Electric Advantage 29
9.2: Energy Exchange 40
9.3: Area Load Relief 41

1. Introduction

On December 22, 2021, Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") petitioned for approval of a series of proposed Non-Pipes Alternative ("NPA") Projects.[1] On June 17, 2022, the New York Public Service Commission (the "Commission") issued its Order Approving Non-Pipes Alternative Projects Amortization Period And Shareholder Incentive Mechanism For Specified Projects ("June 2022 NPA Order"), approving cost recovery, an incentive mechanism, and reporting requirements for a set of NPA Projects.[2] The Commission also issued its Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans With Additional Requirements on July 20, 2023, approving the process for the implementation of new NPAs.[3]

On September 20, 2024, the Commission issued its Order Regarding Long-Term Natural Gas Plan and Requiring Further Actions as part of the Gas Planning Proceeding ("GSLTP Order").[4] The Commission directed the Company to develop an NPA Deployment Plan that: 1) improves NPA programmatic design to eliminate barriers to NPA adoption; 2) leverages regional surveys and other stakeholders' reputations and tools, including community groups and local elected officials, to improve recruitment; 3) identifies early investments, including leak-prone pipe segments that are suitable for NPA treatment, that are beyond the three-to-five-year horizon; 4) maintains line-of-sight of the electric grid impacts of electrification; 5) provides more

[1] Case 19-G-0066, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Gas Serv., et al.,* ("Gas Rate Proceeding"), Petition of Consolidated Edison Company of New York, Inc. For Approval of Specific Non-Pipeline Alternative Projects (filed December 22, 2021).
[2] Gas Rate Proceeding, Order Approving Non-Pipes Alternative Projects Amortization Period and Shareholder Incentive Mechanism for Specified Projects (issued June 17, 2022) ("June 2022 NPA Order").
[3] Case 22-G-0064, *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., et al.* ("2022 Rate Case Proceeding"), Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan with Additional Requirements (issued July 20, 2023) ("July 2023 Rate Case Order"), Attachment 1, p. 27.
[4] Case 23-G-0147, *In the Matter of a Review of the Long-Term Gas System Plans of Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc.*, ("Gas Planning Proceeding"), Order Regarding Long-Term Natural Gas Plan and Requiring Further Actions (issued September 20, 2024) ("GSLTP Order").

specificity regarding alternatives; and 6) provides detailed assumptions and expectations for NPA programs going forward.[5] This Implementation Plan has been updated to reflect the requirements of the GSLTP Order.

The Company submits this NPA Implementation Plan, providing information on the components of the NPAs, including:

- Measures that are part of each NPA;
- Third-party procurement approach;
- Customer and community outreach plan;
- Matters that apply to all NPA portfolios including project identification;
- Quality Control ("QC"), Evaluation, Measurement and Verification ("M&V"), and project evaluation; and
- A demonstration of whether NPA project expenditures are incremental to the Company's revenue requirement.

2. Identification of NPAs to Main Replacements

2.1 System Need

The Company's Gas Infrastructure Replacement or Reduction Program ("GIRRP"), formerly named the Main Replacement Program ("MRP"), is designed to replace or eliminate leak-prone gas mains, including small diameter cast iron, wrought iron, and unprotected steel mains. Planned gas main replacement can be driven by multiple factors such as risk level, opportunity for methane emissions reduction, or potential for system planning improvement. Currently, the Company plans to replace or eliminate these mains by 2040.[6] In addition to main replacements under the existing GIRRP or other gas capital programs, the Company also replaces gas mains due to interference with planned city or municipality work (*e.g.,* water,

[5] Gas Planning Proceeding, GSLTP Order, p. 53.
[6] Gas Planning Proceeding, Gas System Long-Term Plan (filed November 29, 2023), p. 57.

sewer, bridge projects, etc.). Under NPAs to main replacement projects, marketed as the Con Edison Electric Advantage Program ("Electric Advantage" or "EA"), formerly the "Whole Building Electrification Services NPA," customers currently connected to a targeted segment of main are incentivized to disconnect from the gas system by converting their current gas appliances or by replacing them with those that use electricity, thereby eliminating the need to replace the main.[7] To be eligible to participate in this program, customers must provide a commitment allowing the Company to disconnect them from the gas system to enable abandonment of their service line and gas main.

2.2 Project Suitability

Con Edison has identified every leak-prone main across its gas service territory, comprising 1,215 out of 4,362 miles of distribution main, 122 miles of which are located on 2,491 leak-prone radial mains. These radial mains feed services to 13,084 buildings, 76% of which are 1-4 family residential buildings. The Company has set up a process for project identification for Electric Advantage to target radial mains, defined as those with one source of supply, and mains where the elimination of the segment will have no detrimental impacts on system safety or reliability. Leak-prone radial mains are prioritized for NPA consideration based on the number of connected services, number of customer accounts, customer type, total gas usage per service, and whether they are located in a disadvantaged community ("DAC").[8] All customer types are eligible, and the Company will treat each main that is eliminated as a separate NPA for cost recovery, accounting, and calculation of performance incentive purposes. All customers connected to the targeted section of leak-prone gas main must fully disconnect from

[7] Under certain circumstances, the Company may elect to incentivize propane alternatives to natural gas appliances for limited measures if it will result in elimination of the targeted main.
[8] *See,* https://www.nyserda.ny.gov/ny/disadvantaged-communities

the gas system for the Electric Advantage project to be considered complete.[9]

In addition to radial mains, the Company is exploring the NPA suitability of non-radial small-diameter gas mains that feed three or fewer buildings. To be considered suitable, the Company must verify that the main could be abandoned without adversely affecting the surrounding gas distribution system. As needs arise to replace non-leak-prone mains through other capital programs, the Company may pursue NPA opportunities on a case-by-case basis. The Company will continue to update this section of the NPA Implementation Plan as new processes to identify and assess the suitability of NPA opportunities are developed.

2.3 Feasibility and Cost-Effectiveness Analysis

Projects that are identified as suitable under the process described above are then evaluated to determine whether weatherization and whole-building electrification of the targeted properties is cost-effective and achievable prior to the planned replacement of the associated leak-prone main.

Each building eligible to participate in a suitable project undergoes a bottom-up model analysis of potential measures that include, but are not limited to, air-source heat pumps, heat pump water heaters, induction stoves, heat pump dryers, weatherization and envelope efficiency upgrades, and electric make-ready costs.

Potential measures may vary based on different factors – such as customer segment, building specifics, and a three-year average of the customer's gas usage – to meet the identified load relief at the location provided. Each project will undergo portfolio development modeling to ensure all location-specific needs are met by the target date, to compare costs to traditional project needs, and to gather all necessary inputs for the Benefit Cost Analysis ("BCA") process. This process also incorporates estimated electric grid impacts resulting from building

[9] On a case-by-case basis, end of main customer(s) may proceed if a portion of a main and/or services can still be abandoned.

electrification. If the project is identified as cost-effective by achieving a Societal Cost Test ("SCT") score of 1.0 or greater, and after consultation with the Department of Public Service Staff ("DPS Staff"), customer information is shared with the Implementation Contractor ("IC") and is included in customer outreach campaigns associated with the EA program.

As of November 2024, the Company has identified 290 sections of gas mains that were suitable for feasibility and cost-effectiveness analyses of the potential NPA solutions. Of the 290 sections of gas main identified to-date, three NPAs have been completed. The Company is currently attempting to recruit customers or actively implementing NPA solutions at 92 locations. Additional details on each can be found in Section 9.1.

2.4 Procurement Strategy and Market Solicitation

In 2021, the Company issued a Request for Proposal ("RFP") to solicit an IC for the Electric Advantage Program under the former trade name "Whole Building Electrification Services." The selected respondent of that RFP worked with the Company to develop its plan to implement this program and began customer acquisition with targeted marketing, stakeholder education and eligible customer information sessions alongside Company representatives in 2023.

3. Implementation of the Electric Advantage Program

3.1 Engagement and Customer Acquisition

The Company promotes building electrification across its service territory to improve customer awareness about the benefits of new, high-efficiency electric alternatives to gas appliances. This can contribute to successful future NPA programs of all types. The Company has also conducted several market research studies and is accessing third-party research to identify barriers to customer adoption and potential mitigation strategies. The Company continues to apply this knowledge to its customer acquisition strategies.

Con Edison engages directly with customers through door-to-door outreach, phone calls, and individual emails to inform them of the program's offerings, gauge interest, and schedule site assessments. This approach is necessary to effectively explain to customers the complexities associated with building electrification and supporting electric grid upgrades. This personal approach is also the most cost-effective method for conducting customer outreach. The Company avoids high fixed costs associated with traditional marketing that targets a low number of eligible customers, and customers are enabled to provide detailed responses to the offer. The Company will build upon this outreach methodology by using customer satisfaction data to create local, individualized content for future customers.

The Company's offer to fully electrify homes and remove all fossil fuel equipment is at no upfront cost to the customer. The incentive is paid directly to contractors to mitigate cost barriers to adoption. Insulation and air sealing also is included in this offer. The IC partners with an installation contractor skilled in customer engagement to oversee the multiple skilled trades necessary to complete installation of building weatherization, electrification, and gas disconnection. This allows upgrades to be done in a turnkey fashion with a single point of contact for all incentive paperwork, permitting and installation, and complete disconnection from the gas system. The Company also educates customers about Con Edison's Demand Response programs and Select Pricing Rate Plan to minimize operating cost impacts. If all customers connected to a targeted main are not initially interested in the program, the Company may proceed with installations for a customer connected to the end of the selected main. This allows one or more service lines and a portion of the main to be abandoned. If the end-of-main customer participates, then each sequential customer from the end of the main may proceed with electrification installation as part of the program. Site assessments and installations are scheduled for interested end-of-main customers while the Company conducts outreach to the remaining sequential customers. This flexibility enables customers to undertake the conversion at a time

that is right for their individual schedule. As additional customers along the main proceed, their participation subsequently adds to the total feet of leak-prone pipe and service lines to be abandoned. If the end-of-main customer does not agree to participate, then sequential customers will not be able to move forward in the process until the end-of-main customer has contracted for installation. Customers who initially declines may be reapproached periodically about the NPA opportunity, as determined by the IC and the Company.

3.2 Installation Process

Once a customer indicates interest, the contractor conducts a scoping visit to take measurements, calculate building heating and cooling loads, identify weatherization opportunities, and document existing appliances. The contractor then develops a whole building electrification solution, reviews it with the customer, and submits an application to Con Edison for review and to affirm the incentive amount. Once a customer has contracted for installation, the required work permits (*e.g.*, plumbing, electrical, mechanical, etc.) are filed, and additional electrical equipment load information is provided to Con Edison to assess if electric service upgrades are required. If service upgrades are needed, new electric appliances may not commence installation until the electrical service upgrades to the building are completed. Once Con Edison notifies the contractor that the required electric service upgrades are completed, all replacement equipment is ordered, and installation can take place. This process prioritizes safe and reliable electric service. All new electric equipment is installed, fossil-fuel equipment removed, and weatherization is completed, including any new penetrations from other upgrades. Once installation is complete, the customer's gas account is closed, the gas meter is removed, and disconnection of the gas main and/or services in the street is scheduled. The customer signs off on the installation, notifies permit authorities and schedules post-inspection QC site visit.

3.3 Quality Control, Evaluation, Measurement, and Verification

Con Edison has developed a QC process for all eligible measures that aligns with other energy efficiency and electrification program offerings. The Company will conduct QC activities for every customer that participates. All heating and cooling load calculations created by an installation contractor are reviewed by the IC prior to the customer contracting for installation. The Company has engaged with a third-party contractor to perform both document review and on-site QC activities on work receiving program incentives to ensure installation matches provided documentation and is installed to equipment manufacturer specifications. A post-installation customer survey is also conducted by the QC inspection company to measure satisfaction with contractor and equipment installation. The Company may also analyze Advanced Meter Infrastructure ("AMI") and customer billing data to track customer gas and electric usage pre- and post-NPA installation to understand resulting changes in energy consumption.

3.4 Changes to Identified Electric Advantage Program NPAs

The Company has processes in place to monitor emergent needs for main replacement work on any of the eligible gas mains. Should main replacement be required prior to the successful implementation of electric alternatives on customer properties, the gas main replacement will take place. Any commitments made to eligible customers prior to identification of emergent work that requires main replacement before the full completion of the NPA will be kept by the Company and its IC. Examples of emergent work may include damage to a gas main, a water main break undermining a cast iron gas main, a municipality announcing a new road paving schedule that affects natural gas infrastructure, or a main replacement that is required to eliminate an active leak.

The Company will file an NPA Annual Report and updates to the NPA Implementation Plan that reflect any eligibility changes to previously eligible projects. Section 9.1 describes each Electric Advantage opportunity identified by the Company, and

detailed assumptions and expectations for the program going forward.

3.5 Project Closeout

The Company will indicate both active and closed Electric Advantage projects in its NPA Annual Report. A project will be considered closed when the full portfolio of customers associated with a selected segment of leak-prone main have fully replaced all gas equipment and appliances with non-gas alternatives. When full electrification of each customer is confirmed, the Company will schedule the main and/or service to be disconnected, allowing the pipe to be abandoned. A project can also be considered closed when the timeline on the need for main replacement does not allow for full electrification of each customer associated with the targeted leak-prone main. Each of the identified eligible projects may be closed out on their own timeline, as long as the associated properties are fully electrified prior to the scheduled replacement of the associated leak-prone main. Closure of Electric Advantage projects is indicated in Appendix B of the NPA Annual Report as well as Tables 2 and 3 in section 9.1 of the NPA Implementation Plan.

4. Identification of NPAs to Service Line Replacements

4.1 System Need

The Company's Service Line Replacement Program is designed to replace gas service lines that are actively leaking, associated with capital main replacement programs, or identified through the Distribution Integrity Management Program ("DIMP").[10] This program also addresses leak-prone services, also known as vintage services, which are connected to non-leak-prone mains. A leak-prone gas service or vintage service is defined by the Company as a pre-1972 or unprotected steel service. Under a Service Line Replacement NPA, marketed as the Con

[10] *See,* https://www.phmsa.dot.gov/pipeline/gas-distribution-integrity-management/gas-distribution-integrity-management-program-dimp

Edison Energy Exchange Program ("EX" or "Energy Exchange"), customers connected to the gas system via pre-1972 services are incentivized to disconnect from the gas distribution system by converting their existing non-space heating gas appliances to electric, thereby eliminating the need to replace the gas service line.[11] To be eligible to participate in this program, customers are required to provide a commitment allowing the Company to abandon their pre-1972 gas service line.

4.2 Project Suitability

The Company has established processes for NPAs to Service Line Replacements targeting gas service lines installed prior to 1972. Customers connected to the targeted gas service lines must fully disconnect from the gas system for the Energy Exchange project to proceed with the elimination of the gas service line. All customer segments are eligible; however, most eligible customers are within the small one-to-four family residential segment and are expected to be the most likely to participate in this program. The Company will treat each Energy Exchange Program portfolio, comprised of a set of service replacement NPA projects to be completed, as a single NPA for cost recovery, accounting, and incentive purposes. The Company is aiming to avoid 100 gas service line replacements as part of the first Energy Exchange Program portfolio. The Company may adjust the size of future portfolios depending on customer participation and lessons learned through implementation of the first set of Energy Exchange projects.

As of this current Implementation Plan, the Company has identified approximately 34,250 buildings connected to pre-1972 gas service lines.[12] This represents less than 10% of approximately 378,000 total gas services in Con Edison's service territory. By identifying all eligible services from program onset, the Company has identified service pipe replacement

[11] Customers may seek the Company's Clean Heat incentives to assist with converting their space heating appliances.
[12] Data extracted in October 2024.

investments as early on as possible that could potentially be avoided with this program and is enabled to plan for targeted future investments. More details on the buildings and customers eligible for the Energy Exchange Program can be found in Section 9.2.

4.3 Feasibility and Cost-Effectiveness Analysis

Service lines in need of replacement that were identified as suitable under the process described above are then evaluated to determine whether a portfolio of whole-building electrification of typical buildings in the targeted customer segments is cost-effective and achievable prior to the planned replacement of the associated leak-prone services. To streamline the participation process, optimize program implementation, and maximize customer engagement, the initial Energy Exchange portfolio will be comprised of a set of 100 service replacement NPA projects to be completed.

Each customer segment (*i.e.,* single-family, 2-to-4-family, small and medium business, commercial and industrial) undergoes a bottom-up model analysis of potential measures that include heat pump water heaters, electric stoves, heat pump dryers, electrical panel upgrades, wiring costs, and gas equipment removal costs. Potential measures for each segment may vary based on different factors – such as number of dwellings per service line and location within a DAC. As part of its assessment, the Company modeled the annual and peak electric load of appliance electrification, providing initial estimates of the potential grid impacts of an EX NPA portfolio. NPA costs associated with the modeled NPA portfolio was then compared to traditional infrastructure costs as part of the BCA process.

The BCA process incorporates estimated electric grid impacts resulting from building electrification, if the project is identified as cost-effective by achieving a SCT score of 1.0 or greater, and after consultation with the DPS Staff, the portfolio will be moved to implementation.

The EX Program is complementary to the Company's Clean Heat Program ("Clean Heat"), by providing incentives for measures that are not currently incentivized. The EX Program does not incentivize space heating, and some customers may need to apply for incentives through the Clean Heat Program concurrently.

4.4 Procurement Strategy and Market Solicitation

The Company deploys different procurement approaches, as appropriate. The Company continues to leverage existing program implementation experience to deliver this program offering to customers in a streamlined manner. Instead of choosing to contract with a single vendor to implement the Energy Exchange Program, the Company has opted to implement this program by managing a network of pre-approved participating contractors ("PCs"). Since there is already a network of pre-approved participating contractors that provide space heating electrification solutions through Con Edison's Clean Heat program, the Company is prioritizing outreach and onboarding of PCs which participate in Clean Heat, have experience working with licensed electricians/plumbers and can offer customers the electrifications of non-space heating appliances as a service.

5. Implementation of the Energy Exchange Program

5.1 Engagement and Customer Acquisition

As discussed in section 3.1, the Company promotes building electrification across its service territory to improve customer awareness about the benefits of new, high-efficiency electric alternatives to gas appliances. This promotion is most often focused on heat pumps for space heating and cooling. Broad customer education on heat pump technology can also be applied to improve customer adoption rates of heat pump water heaters and dryers. The Company has also conducted several market research studies and is accessing third-party research to identify barriers to customer adoption and potential mitigation strategies. The

Company continues to apply this knowledge to its customer acquisition strategies.

The goal of the Energy Exchange outreach initiatives will be to broadly educate stakeholders about the program's offerings and build on existing efforts undertaken across the service territory to promote building electrification and improve customer awareness about new, high-efficiency electric alternatives to gas appliances. The Company's EX outreach plan is prioritized based on customer segment, gas usage, past Clean Heat participation, and locations within disadvantaged communities. In 2025, the Company will focus targeted outreach, such as site visits and phone calls, on single-family non-heating residential customers in DACs. Wider-reaching marketing methods, such as email and mailers, will be extended to larger populations of eligible customers. All outreaches will be paired with Clean Heat collateral to encourage the electrification of oil and gas heating customers in tandem with EX participation. Additionally, the Company plans to continue developing educational and outreach initiatives, such as webinars, that seek to further engage customers on the benefits of eligible program measures and electrification.

Customers are referred to the Energy Exchange customer webpage[13] to submit interest forms and choose preferred contractors. Interest form responses are used to connect customers with participating contractors and/or conduct follow-up communication with the program team. Participating contractors will perform site visits to develop a scope with appropriate equipment, communicate site-specific project details, and finalize the customer acquisition process.

5.2 Installation Process

Once interest and eligibility has been confirmed, the Company connects customers with Participating Contractors. The participating contractor then performs a site survey of the existing

[13] *See*, www.coned.com/energyexchange

conditions and documents existing gas appliances. Following a site visit, the Participating Contractor will work with the customer to decide on specific electric appliances to replace the existing gas appliances and review the necessary electrical work and gas piping/equipment removal. Participating Contractors must then create a program application and create a case number in Con Edison's Project Center[14] where they will submit a request to add electric load for review by the Company. Every application with a case number is vetted to assess if electric service upgrades are required. Projects with adequate electrical service are granted a Preliminary Incentive Offer Letter ("PIOL"), as long as all other program application requirements are met. These requirements include site photos, appliance nameplate photos, electrical panel photos, etc. Projects that require electrical service upgrades must allow the service upgrade to be completed before a PIOL is extended and installation can proceed. This process prioritizes safe and reliable electric service.

After the customer and Participating Contractor review and accept the PIOL, the Company issues a blank Completion Certificate ("CC") to be filled out and returned to the Company after installation is completed. A PC can proceed with installation once they have received the Company's CC. After installation, the customer must close their gas account and work with the PC to file a separate case through Con Edison's Project Center requesting gas service disconnection and gas meter removal. The case number associated with the gas request is added to the CC, in addition to confirmation that the customer's gas account has been closed. Additional project documents and details also accompany the CC document before the formal submission is made to the Company to indicate installation has been completed and Post Inspection and Final Review can occur. The Company performs an inspection of the installation (on-site or desk review), performs the Final Review, then submits the project for payment.

[14] *See*, www.coned.com/en/small-medium-size-businesses/building-project-center

Finally, the Company sends out follow-up customer satisfaction surveys to all customers to assess satisfaction, identify and mitigate any issues, and enable incorporation of customer feedback into program design updates. When full electrification of each customer is confirmed, the Company will schedule the service to be disconnected, allowing the service pipe to be abandoned.

5.3 Quality Control, Evaluation, Measurement, and Verification

Con Edison has developed a QC process for all eligible measures that aligns with other energy efficiency and electrification program offerings. The Company will conduct full QC activities for a sample of projects completed under the Energy Exchange Program with safety, workmanship, and customer satisfaction being paramount. The Company has engaged with a third-party contractor to perform both document review and on-site QC activities on work receiving program incentives to ensure installation matches provided documentation and is installed to equipment manufacturer specifications. The Company may also analyze AMI and customer billing data to track customer gas and electric usage pre- and post-NPA installation to understand resulting changes in energy consumption.

5.4 Changes to Identified Energy Exchange Program NPAs

The Company has systems in place to verify the eligibility of customers supplied by gas service lines identified for replacement. The list of eligible customers will be maintained by the Company and updated both periodically and on an ad-hoc basis. Should a gas service line require replacement prior to the Company's approval for the customer to participate in the program, the customer will no longer be eligible. In the event a gas service line requires replacement after a customer receives application approval, the customer will still receive the incentive if they complete the approved project. Examples of conditions that require gas service line replacements include, replacements of service lines associated with main

replacements,[15] damages to a gas service, or a gas service line replacement that is required to eliminate an active leak.

The Company will file annual updates to the NPA Implementation Plan reflecting any eligibility changes to previously identified projects. Section 9.2 describes the initial number of buildings eligible for the Energy Exchange Program identified by the Company.

5.5 Project Closeout

The Company will indicate the anticipated timeline for closing an Energy Exchange NPA portfolio in its NPA Annual Report once a customer adoption rate is established to the extent that the Company can project when the goal of avoiding 100 service line replacements will be achieved. When full electrification of each customer at a gas service line is confirmed, the Company will schedule the gas service line to be cut and capped, allowing the pre-1972 service to be abandoned in place. The portfolio of avoided gas service line replacements may be closed out once the targeted 100 services have been fully electrified prior to the scheduled replacement of the associated pre-1972 gas service lines. The NPA Annual Report and updates to the Implementation Plan will reflect closure of each Energy Exchange Program portfolio.

6. Identification of Area Load Relief NPAs

6.1 System Need

The Company's current gas system planning process assesses the system's existing and expected future operating conditions relative to the Company's design standards. This includes accounting for forecasted changes in peak demand and changes in regulations, such as those implemented by the federal Pipeline and Hazardous Materials Safety Administration ("PHMSA"). Through this process, engineers identify system needs and develop various

[15] The Company continues to implement main replacements as part of the GIRRP.

options for addressing them.

Options are assessed for: (1) effectiveness in meeting the system need; (2) cost; (3) implementation timing; and (4) risks. Solutions are then prioritized by balancing available capital and resources against the risk of not addressing the system need within the timeframe of the capital plan. Traditional infrastructure solutions to address identified system needs may include system reinforcement upgrades to regulator stations or mains supplying gas to the area. Potential NPA projects may also be evaluated as an alternative to the traditional solutions. The Company continues to enhance this process to streamline the identification of potential Area Load Relief NPA projects. In the event that the Company successfully identifies a potential Area Load Relief NPA project, the steps to implement that project are discussed in the sections to follow.

There are currently no Area Load Relief NPA opportunities to avoid demand-growth-based infrastructure in a three-to-five-year horizon. This is similarly reflected in the Company's Gas System Long Term Plan[16] ("GSLTP") which indicates that there is currently no anticipated need for growth-related infrastructure investments in any of the three pathways presented. The Company is developing a new gas distribution forecasting tool that may help identify areas of constraint at the distribution system level. This would enable a more granular identification of areas over a longer time horizon than the tools that are currently accessible, which utilize system-wide peak demand forecasts. The Company intends to update this section of the Implementation Plan as insights are gained regarding potential NPA identification use-cases.

6.2 Project Suitability

Projects are evaluated as a potential NPA if they meet the "Suitability Criteria," as outlined in Con Edison's Proposals for NPA Screening and Suitability Criteria. Applying the

[16] Gas Planning Proceeding, Gas System Long-Term Plan (filed November 29, 2023), p. 66.

Suitability Criteria, the Company will identify gas capital projects associated with system load growth that are suitable for Area Load Relief NPA consideration. Projects excluded from NPA consideration include capital projects associated with immediate system needs related to safety, reliability, and service obligation. Additionally, projects with insufficient lead time to develop pricing estimates and implement the NPA are excluded from NPA consideration.

6.3 Feasibility and Cost-Effectiveness Analysis

Projects that are identified and meet the Suitability Criteria are then evaluated for overall feasibility. This evaluation determines whether there is the potential for achievable and sufficient load relief within the defined geographic area to enable deferral or elimination of the traditional solution.

NPA portfolios incorporate a balance of electrification and gas energy efficiency measures that achieve peak load reductions on the gas system. This includes additional incentives to complement existing programs (*i.e.,* NPA Adders) to achieve the targeted peak load reduction, including incentives for measures such as steam trap replacements, pipe insulation, various building envelope measures, and air- and ground-source space and water heating.

Portfolios are weighted towards lower cost interventions to deliver a positive SCT score of 1.0 or greater. For each proposed NPA, the Company performs a segmented gas load analysis to understand the best measures available to meet the requirements for load relief. This includes detailed analysis of customer consumption patterns, applicable AMI data, anticipated gas end-uses, and customer demographics across market segments. This analysis is critical in determining whether there is sufficient potential for load relief to meet the reduction needs indicated by the forecast and if year-over-year program implementation goals are reasonably achievable.

Following load analysis, the Company analyzes the results of existing programs to identify feasible programmatic load-reduction opportunities. A combination of NPA Adders and market solutions are evaluated for the ability to meet the required peak load reduction. For example, the Company will determine potential load relief from measures included in the Clean Heat Program through analysis of program participation data and customer space heating loads. The Company will adjust total load relief potential to account for expected customer participation rates based on program experience and examine in combination with other energy efficiency and electrification options.

If a portfolio can be feasibly developed based on the analysis above, a RFP may be issued to solicit proposals from customers and potential vendors for the NPA target area and develop a more granular understanding of the total costs and benefits that may be achieved.

6.4 Procurement Strategy and Market Solicitation

The Company deploys different procurement approaches as appropriate. In many cases, this first includes leveraging existing contracts with implementation contractors who deliver energy efficiency and electrification solutions. This approach allows implementation contractors to begin offering additional incentives (*i.e.*, NPA adders) for new projects within the NPA target areas relatively quickly. If there is an additional need for energy efficiency or electrification, competitive procurement approaches are used. This may include Requests for Information ("RFIs") or RFPs. Other strategies may include prescriptive incentive offerings provided on a first-come, first-served basis for qualifying applicants, and as appropriate, a sole-source approach where a unique solution is available, or a specific customer or developer presents an opportunity. Con Edison's procurement approach is dynamic and will continue to be strategically timed to meet NPA portfolio needs as opposed to static, one-time buying events.

The Company generally assembles finalized NPA portfolios utilizing projects proposed

through market solicitation (*e.g.,* RFPs). Proposals are evaluated based on the following criteria:

- Proposal content and presentation
- Execution risk
- Respondent qualifications
- Customer acquisition strategy
- Load reduction potential
- Community impact
- Solution innovation
- Project costs
- BCA score

As targeted areas are identified, the Company will continue to provide the necessary information regarding status and load relief needed in its solicitations and the Con Edison NPA webpage.

6.5 Portfolio Development

The Company uses market responses to analyze the mix of resources that can meet the need in the targeted area and develop an appropriate portfolio. Portfolio development and BCAs are conducted through an iterative process to find the best combination of resources for the NPA. Considerations for assembling an NPA portfolio include, but are not limited to, ability of the solutions to meet the identified load relief, cost-effectiveness, execution risk of the various solutions, estimated useful life of proposed solutions, implementation costs, diversity of technology and vendors, and the ability to achieve a SCT score of 1.0 or greater.

In consultation with DPS Staff, the Company developed and filed a Gas BCA Handbook, which is used to value the societal benefits and costs of potential projects and investments. This

calculation includes but is not limited to marginal supply & distribution costs and net carbon benefits of both the peak and gross energy consumption impact projected by the portfolio. The Handbook is used to evaluate the cost-effectiveness of NPA project portfolios through the Societal Cost Test. If a portfolio can be developed with an SCT score of 1.0 or greater and an appropriate level of execution risk, the portfolio is "greenlit" via an approval mechanism for the Con Edison NPA Team to take ownership of delivering the load relief.

7. Implementation of Area Load Relief NPAs

7.1 Engagement and Customer Acquisition

Con Edison prioritizes community engagement as an important aspect of NPA deployment and recognizes the importance of being proactive in understanding the needs and priorities of affected communities. Community engagement depends on the plan and program type developed for a specific NPA. As specific projects are identified in scope, technology, and geographic location, the Company shares those specifics, to the extent confidentiality considerations permit, with key stakeholders in the targeted area. While NPA projects are especially designed to address load relief needs, which may also provide system improvements and environmental benefits, customer needs are also carefully considered. The Company is committed to transparency in sharing the goals, objectives, project schedule, status, and impacts with community stakeholders. For example, if an NPA project may result in any change to normal community activity, such as increased traffic or noise levels, the Company would share this information with relevant community stakeholders ahead of time.

The Company plans to develop an ongoing presence and build strong relationships with important stakeholders in NPA areas by convening formal and informal meetings with stakeholders. Depending on the type of program implemented, the stakeholders may include elected officials; local chambers of commerce; business improvement districts; local

development corporations; not-for-profit, community-based organizations; government entities, such as community boards and the New York City Housing Authority; community housing associations; block associations; and tenant associations. The Company may also work closely with community-based organizations who regularly work with local communities on environmental and energy issues. In addition, the Company may work with local leaders in several ways, such as placement of program information in newsletters and other communications with links to the Company's NPA website and social media accounts.

While the deployment of typical energy efficiency programs has general customer benefits, NPA projects are even more customized and local, requiring greater customer engagement and proactive communication to address concerns and promote participation. In addition to direct community engagement, the Company conducts focused marketing campaigns to program-eligible customer segments. Additional activities include personalized emails to eligible customers, virtual meetings to answer program inquiries, and webinars with Participating Contractors to relay the most accurate and up-to-date program information to customers.

The Company will reach out to small business customers in a targeted area by augmenting current marketing strategies through continual involvement with local business associations via email and scheduled site visits.

For the Multifamily customer segment, the Company will reach out to eligible building owners and property managers to inform them of potential incentives for gas energy efficiency and electrification measures available to install in their homes or buildings.

For Commercial and Industrial energy efficiency customers, the Company will engage with Business Development representatives to seek out key decision makers and gauge their interest in program offerings. For eligible large commercial customers, the Company also plans to employ custom solutions to increase the penetration of energy efficiency and

electrification. Depending on the NPA project, the Company will market the program through leveraging an established event calendar, social media, content marketing, and trade industry channels.

Finally, the Company will continue to align messaging across multiple stakeholders (*e.g.,* solution providers, customer segments) to mitigate possible confusion caused within the targeted community as the result of multiple actors participating in the market.

7.2 Quality Control, Evaluation, Measurement, and Verification

The goal of M&V is to assess the impact of NPA program solutions on the peak load relief in the targeted area. M&V is ongoing until program completion, as described later in Section 7.4. The Company will provide some form of M&V oversight either via desk review and/or onsite verification. Additionally, onsite ex-ante and ex-post in-situ metering and analysis may be used. These efforts are expected to provide sufficient information to verify load relief within the forecasted peak demand period. The Company will develop project-specific M&V plans for larger projects, as appropriate. The Company will explore the application of emerging M&V methodologies, such as batched AMI data analysis to develop a comprehensive understanding of the peak load impacts of measures implemented.

The Company is continually engaging with third-party contractors to perform evaluation, verification, and QA/QC activities. These activities provide additional levels of review and greater confidence in the load relief provided by the various solutions acquired under NPA efforts.

7.3 Changes to Area Load Relief NPAs

As an NPA is implemented, the Company annually updates the system load relief need based on gas distribution system demand in the targeted area during the most recent winter. If the need has changed in an area of an active NPA for the next upcoming winter (November –

April), the Company will attempt to adapt the programmatic goals of the NPA portfolio so that adequate resources are in place to provide load relief for the upcoming peak load season consistent with the project's original intent. This may be accomplished with additional NPA adder projects, the acceleration of a custom customer project, or procurement of additional customer-sided resources. If it is not feasible for the NPA to meet the current projected needs through customer-sided solutions, the Company will implement a traditional infrastructure solution.

If the system needs change to require greater load reduction, the Company will seek to procure additional customer-sided resources beyond the initially targeted need. If the load required decreases over three consecutive years, and the amount of peak load relief required decreases more than 30 percent below the initial load relief expected at the beginning of the NPA, the Company may reduce the customer-sided solutions to the new amount necessary to effectuate deferral or elimination of the traditional solution to the extent contractually feasible. The Company will consult with DPS Staff following the results of annual load relief analysis indicating the need for system reinforcement if it determines that a lower peak load relief procurement will be effective. If the forecasted need for infrastructure does not materialize, the Company will consult with DPS Staff and move towards portfolio closure.

Subsequent updates to this NPA Implementation Plan will be filed annually. Any modifications to an NPA made as the result of a change to the proposed deferral/elimination period or amount of required peak load relief of the portfolio will be reflected in the updated plan. Further information on program activities is available in the NPA Annual Reports.

7.4 Project Closeout

Once the Company has achieved or anticipates achieving the deferral or elimination of the traditional solution or if the need that the NPA was designed to avoid goes away, the

Company will indicate the anticipated timeline for closing the NPA program in its Annual Report. A program will be considered closed when the Company no longer needs or offers further resources to achieve load relief and all costs for implementing the NPA are accounted for. Closure of an NPA is likely to occur in the final year of implementation of the program but may occur sooner following a material reduction of the forecasted peak load relief needed, the pursuit of the traditional solution, or elimination of infrastructure need. Updates to the NPA Annual Report and Implementation Plan will reflect closure of Area Load Relief NPA projects.

8. Budgeting Expenditures and Collections

The Company will file annual updates to its Implementation Plan concurrently with its Annual Report. These Annual Reports will track total NPA expenditures, Monthly Rate Adjustment ("MRA") recoveries, incremental costs, and the progress of each NPA project including in-service dates, assessment of savings, and other benefits. The Company developed and filed a draft General Accounting Procedure ("GAP") with appropriate accounting procedures in compliance with NPA Implementation.[17]

NPA project expenditures incurred by the Company are to be recovered as a regulatory asset, including the overall pretax rate of return on such expenditures. Recovery of these expenditures during the Gas Rate Plan will be recovered through the MRA until such costs are incorporated into base rates when base gas delivery rates are next reset. All unamortized NPA expenditures associated with this program are expected to be included in the Company's revenue requirement in its next Gas Rate Plan for recovery via base delivery rates.

Once reasonable cost certainty for additional NPAs has been determined, the Company will notify the DPS Staff. Annual updates will be made to the Implementation

[17] Gas Rate Proceeding, Accounting Procedure for the Recovery of Financial Incentives (filed July 21, 2022).

Plan and will reflect anticipated NPA costs, and any costs of NPA projects incremental to the Company's revenue requirement.

9. Program Specific Updates

9.1 Electric Advantage

In July 2021, the Company released a market solicitation for Electric Advantage (formerly "Whole Building Electrification Services"), seeking an IC to provide end-to-end services. The services would enable the conversion of all gas-connected equipment and appliances at targeted properties to electric alternatives and the elimination of associated leak-prone mains.

Table 1 describes all identified opportunities throughout Con Edison's gas service territory. Table 2 shows what has been completed as part of an NPA project which has enabled main abandonment. Table 3 shows open NPA locations that are actively being pursued. Table 4 shows opportunities that did not pass the SCT but may be reconsidered in the future for NPA treatment. Finally, an additional 13 projects were considered for NPA but were canceled due to the need to implement of traditional replacements, totaling 12,265 feet and 95 services.

Table 1: Summary of Radial Mains[18]

	Bronx	Manhattan	Queens	Westchester	All Areas
All Radials	1,399 (44.6 mi)	942 (28.9 mi)	1,295 (54.4 mi)	6,207 (349.7 mi)	**9,843 (477.6 mi)**
Leak Prone Radials[19]	262 (11.3 mi)	251 (10.3 mi)	246 (13.1 mi)	1,732 (96.0 mi)	**2,491 (130.7 mi)**
Leak Prone Radials with 3 or Fewer Customers	91 (2.3 mi)	82 (1.9 mi)	74 (2.1 mi)	753 (23.3 mi)	**1,000 (29.6 mi)**

Table 2: Completed Electric Advantage Projects

Batch	Project ID	Number of Buildings	Gas Main Length (ft)	Estimated Main Replacement Timeframe
1	W008	1	197	Main Abandoned
1	X002	1	45	Main Abandoned
1	X015	2	76	Main Abandoned

Table 3: Electric Advantage Projects In Implementation (SCT > 1)

Batch	Project ID	Number of Buildings	Gas Main Length (ft)	Estimated Main Replacement Timeframe
1	M003	1	490	1-3 Years
1	M005	1	315	1-3 Years
1	Q001	1	56	>8 Years
1	Q002	3	216	1-3 Years
1	Q004	1	189	>8 Years
1	Q005	1	45	4-8 Years
1	Q006	1	195	1-3 Years
1	Q009	1	110	>8 Years
1	Q010	2	120	1-3 Years
1	Q013	2	170	1-3 Years
1	W002	2	461	>8 Years

[18] Total number of individual locations and mileage as of October 30, 2024.
[19] Leak prone radials may contain up to 50% non-leak-prone pipe.

1	W003	3	248	1-3 Years
1	W004	3	244	1-3 Years
1	W007	1	175	>8 Years
1	W009	1	214	4-8 Years
1	W011	2	216	1-3 Years
1	W012	2	176	1-3 Years
1	W014	2	190	4-8 Years
1	W017	3	230	>8 Years
1	W020	1	123	1-3 Years
1	W025	3	106	1-3 Years
1	W026	3	206	1-3 Years
1	W027	3	222	1-3 Years
1	W030	2	145	1-3 Years
1	X001	1	101	>8 Years
1	X003	1	51	4-8 Years
1	X004	1	25	>8 Years
1	X005	2	205	4-8 Years
1	X006	2	230	1-3 Years
1	X007	2	108	4-8 Years
1	X008	3	203	1-3 Years
1	X009	4	171	1-3 Years
1	X010	4	250	4-8 Years
1	X014	2	120	1-3 Years
1	X017	2	140	4-8 Years
2	M019	1	475	1-3 Years
2	Q019	4	211	1-3 Years
2	W037	3	86	1-3 Years
2	W038	4	275	1-3 Years
2	W039	4	270	1-3 Years
2	W040	2	201	1-3 Years
2	W041	1	205	1-3 Years
2	W044	4	285	1-3 Years
2	W045	3	178	1-3 Years
2	W046	4	126	1-3 Years
2	W047	2	109	1-3 Years
2	W048	2	228	1-3 Years
2	W049	1	117	1-3 Years
2	W050	4	47	1-3 Years
2	W051	4	181	1-3 Years
2	W053	9	388	1-3 Years
2	X018	2	1850	1-3 Years
2	X019	2	584	1-3 Years
3	W056	4	365	1-3 Years

3	W058	4	220	1-3 Years
3	W059	1	26	1-3 Years
3	W060	2	164	1-3 Years
3	W061	1	39	1-3 Years
3	W064	4	260	1-3 Years
3	W065	1	186	1-3 Years
3	W066	2	260	1-3 Years
3	W067	4	603	1-3 Years
3	W072	1	60	1-3 Years
3	W079	1	88	1-3 Years
3	W080	1	240	1-3 Years
3	W082	3	189	1-3 Years
3	W083	5	250	1-3 Years
3	W084	3	180	1-3 Years
3	W085	1	50	1-3 Years
3	W086	5	298	1-3 Years
3	W090	3	400	1-3 Years
4	M023	1	2250	1-3 Years
4	Q030	1	89	1-3 Years
4	Q038	1	115	1-3 Years
4	Q039	3	169	1-3 Years
4	Q042	2	119	1-3 Years
4	Q044	1	166	1-3 Years
4	W093	2	251	1-3 Years
4	W095	1	340	4-8 Years
4	W098	1	250	>8 Years
4	W100	1	150	>8 Years
4	W101	2	213	4-8 Years
4	W104	1	208	>8 Years
4	W107	3	368	1-3 Years
4	W111	2	468	1-3 Years
4	W122	1	118	1-3 Years
4	W125	1	412	1-3 Years
4	W135	2	160	1-3 Years
4	W137	2	126	1-3 Years
4	X026	2	598	1-3 Years
4	X034	1	150	1-3 Years
4	X039	1	122	4-8 Years

Table 4: Electric Advantage Projects Analyzed and Not Cost Effective (SCT < 1)

Batch	Project ID	Number of Buildings	Gas Main Length (ft)	Estimated Main Replacement Timeframe
1	M006	1	293	1-3 Years
2	M008	2	227	1-3 Years
3	M009	4	377	1-3 Years
2	M010	1	520	1-3 Years
2	M011	2	97	1-3 Years
2	M012	1	122	1-3 Years
3	M013	2	95	1-3 Years
4	M014	2	496	1-3 Years
2	M015	3	0	1-3 Years
2	M017	4	190	1-3 Years
2	M018	5	135	1-3 Years
4	M020	5	478	1-3 Years
4	M022	3	365	4-8 Years
5	M025	2	133	1-3 Years
5	M026	1	293	1-3 Years
5	M029	3	209	>8 Years
1	Q003	5	573	1-3 Years
1	Q007	1	80	1-3 Years
1	Q011	2	80	>8 Years
1	Q018	2	127	4-8 Years
4	Q022	2	610	1-3 Years
4	Q023	3	550	1-3 Years
4	Q026	1	73	1-3 Years
4	Q028	2	91	>8 Years
4	Q034	2	170	>8 Years
4	Q041	2	167	1-3 Years
4	Q043	3	181	1-3 Years
4	Q045	1	110	4-8 Years
4	Q050	2	118	1-3 Years
4	Q051	2	172	1-3 Years
4	Q053	3	142	>8 Years
5	Q056	2	148	1-3 Years
5	Q057	1	392	1-3 Years
5	Q058	2	100	1-3 Years
5	Q060	3	125	1-3 Years
5	Q061	3	139	1-3 Years
5	Q062	3	142	1-3 Years
5	Q063	2	145	1-3 Years
5	Q065	2	192	4-8 Years

1	W005	2	710	1-3 Years
1	W006	1	472	>8 Years
1	W013	2	194	>8 Years
1	W015	2	173	>8 Years
1	W018	2	530	1-3 Years
1	W021	4	205	1-3 Years
4	W031	4	195	>8 Years
4	W032	3	300	>8 Years
3	W068	3	385	1-3 Years
3	W069	5	629	1-3 Years
3	W073	5	244	1-3 Years
3	W076	5	324	1-3 Years
3	W077	3	250	1-3 Years
3	W081	3	245	1-3 Years
3	W091	5	201	1-3 Years
4	W092	4	401	4-8 Years
4	W094	5	572	>8 Years
4	W096	3	882	4-8 Years
4	W097	2	713	1-3 Years
4	W099	1	221	>8 Years
4	W102	2	105	4-8 Years
4	W103	4	457	4-8 Years
4	W105	5	257	1-3 Years
4	W106	2	120	1-3 Years
4	W108	3	300	1-3 Years
4	W109	3	197	>8 Years
4	W110	1	596	1-3 Years
4	W112	1	145	>8 Years
4	W117	1	205	1-3 Years
4	W121	1	169	1-3 Years
4	W123	2	211	>8 Years
4	W124	1	288	>8 Years
4	W126	2	377	>8 Years
4	W127	1	270	>8 Years
4	W128	2	203	>8 Years
4	W131	2	197	1-3 Years
4	W134	2	105	1-3 Years
4	W136	3	103	>8 Years
4	W138	2	216	1-3 Years
4	W139	1	98	1-3 Years
4	W140	2	151	1-3 Years
4	W141	2	340	1-3 Years
4	W142	2	131	1-3 Years
4	W144	2	183	>8 Years

4	W145	1	30	>8 Years
4	W147	1	45	>8 Years
4	W148	2	85	1-3 Years
5	W149	2	114	1-3 Years
5	W150	2	117	1-3 Years
5	W151	1	48	>8 Years
5	W153	1	81	1-3 Years
5	W154	3	154	4-8 Years
5	W155	2	185	4-8 Years
5	W156	2	144	4-8 Years
5	W157	1	133	1-3 Years
5	W158	2	114	4-8 Years
5	W159	2	78	4-8 Years
5	W160	2	107	>8 Years
5	W161	4	262	>8 Years
5	W162	1	68	4-8 Years
5	W164	3	153	1-3 Years
5	W165	4	240	1-3 Years
5	W166	2	87	4-8 Years
5	W167	4	192	4-8 Years
5	W168	3	135	1-3 Years
5	W169	3	239	1-3 Years
5	W171	3	133	>8 Years
5	W173	3	292	1-3 Years
5	W174	4	140	>8 Years
5	W175	2	185	1-3 Years
5	W176	3	113	4-8 Years
5	W177	3	528	1-3 Years
5	W178	1	156	>8 Years
5	W179	3	254	>8 Years
5	W180	3	233	4-8 Years
5	W181	4	174	>8 Years
5	W182	1	75	4-8 Years
5	W183	3	296	1-3 Years
5	W184	4	176	>8 Years
5	W185	3	178	>8 Years
5	W186	2	247	4-8 Years
5	W188	3	216	1-3 Years
5	W189	3	140	>8 Years
5	W191	1	45	>8 Years
5	W192	2	130	>8 Years
5	W193	2	79	4-8 Years
5	W194	1	128	4-8 Years
5	W195	2	138	>8 Years

5	W196	1	86	4-8 Years
5	W197	1	62	1-3 Years
5	W198	2	235	>8 Years
5	W199	3	153	>8 Years
5	W201	2	98	1-3 Years
5	W205	4	117	1-3 Years
5	W206	4	297	1-3 Years
5	W211	4	362	1-3 Years
5	W212	1	148	4-8 Years
5	W213	2	65	1-3 Years
5	W216	1	52	4-8 Years
5	W217	2	136	1-3 Years
5	W219	3	118	>8 Years
5	W221	4	190	1-3 Years
5	W223	3	601	4-8 Years
5	W224	2	1000	1-3 Years
5	W225	3	187	>8 Years
5	W226	3	114	>8 Years
5	W227	4	400	1-3 Years
5	W228	3	298	4-8 Years
5	W229	3	256	4-8 Years
5	W230	2	119	1-3 Years
5	W231	5	182	1-3 Years
5	W233	3	262	1-3 Years
5	W240	1	75	>8 Years
5	W241	2	105	1-3 Years
5	W243	1	146	1-3 Years
5	W244	1	119	4-8 Years
5	W252	1	176	4-8 Years
5	W256	1	85	1-3 Years
1	X012	2	83	>8 Years
1	X013	1	83	1-3 Years
2	X020	2	1140	1-3 Years
2	X021	2	160	1-3 Years
2	X022	1	460	1-3 Years
2	X023	5	310	1-3 Years
2	X024	4	157	1-3 Years
2	X025	4	187	1-3 Years
4	X027	2	60	4-8 Years
4	X030	2	64	4-8 Years
4	X031	2	90	>8 Years
4	X032	1	34	1-3 Years
4	X033	2	27	1-3 Years
4	X036	1	46	1-3 Years

4	X037	1	30	1-3 Years
4	X038	1	163	4-8 Years
5	X040	1	47	1-3 Years
5	X042	1	100	1-3 Years
5	X043	1	93	1-3 Years
5	X044	2	120	4-8 Years
5	X045	1	128	4-8 Years
5	X046	3	102	1-3 Years
5	X047	2	215	1-3 Years
5	X048	2	91	4-8 Years
5	X049	1	272	1-3 Years

Expectations for the Electric Advantage Program

The Company currently has 14 full main projects and three end of main projects in various stages of progress from initial customer interest to projects nearing close out and quality control inspection. However, the Company does not yet have accurate conversion rate forecasting of projects that are in the early phases once a customer has expressed initial interest and not all projects described below may get completed in 2025. Two mains in Westchester, one in Manhattan, and one in Queens are in the installation phase. Two additional mains in Westchester have all buildings contracted to electrify and are anticipated to begin prior to the end of 2024. Seven full main projects in Westchester and one in the Bronx along with two partial main projects in Westchester and one in Queens have had scoping site visits by the contractor and are in various phases of development. Table 5 describes the details of each project.

The Company will continue conducting follow-up outreach to all remaining eligible mains until they are ready to electrify or such time that the main must be replaced. More information on the completed projects can be found in the NPA Annual Report.

The Company anticipates that additional projects will be ready for implementation that will begin customer outreach in early 2025. New locations are also being considered. The

Company is also working to improve and automate the identification process and find all the suitable locations for EA on the gas distribution system.

Table 5: Scoped Electric Advantage Projects

Project Status	Description
Full Main Installation	All customers on a main have started at least on-site electrical upgrade installation
Full Main Permitted	All aspects of the project have received permits & Con Edison electrical adequacy determination required and are in progress of scheduling on-site installation for all customers
Full Main Permit(s) Pending	One or more permits have not been issued or electrical service is not yet adequate, and project is unable to start
Full Main Application Review	Initial scope(s) for all customers on a main are actively being considered by the customer(s)
End-of-main Application Review	Initial scope(s) for one or more end-of-main customers are actively being considered by the customer(s)
Full Main Scope Development	The installation contractor has conducted on-site inspection of all customers on a main and is preparing heating and cooling load calculations, equipment selection and cost proposal(s)
End-of-main Scope Development	The installation contractor has conducted on-site inspection of one or more end-of-main customers and is preparing Manual J calculation, equipment selection and cost proposal(s)

NPA ID	Gas Main Abandonment Enabled (ft)	Gas Service Line Abandon-ment Enabled (count)	Total Peak Day Dth Reduction	Annual Dth Reduction	Estimated Project Costs	Anticipated In-Service Date	Status
M003	490	1	0.89	97.65	$84,250	Q4 2024	Full Main Installation
W079	88	1	1.63	75.83	$39,750	Q4 2024	Full Main Installation
W080	240	1	2.17	95.73	$41,250	Q4 2024	Full Main Installation
Q038	115	1	0.61	76.86	$51,000	Q4 2024	Full Main Installation
W072	60	1	4.50	196.29	$62,750	Q4 2024	Full Main Permitted

W082	189	3	4.34	314.06	$262,250	Q1 2025	Full Main Permit(s) Pending
W101	213	2	2.55	165.44	$114,750	Q1 2025	Full Main Application
W061	39	1	2.60	111.59	$54,500	Q4 2025	Full Main Application Review
W084	132	2 of 3	4.04	200.35	$132,750	Q1 2025	End-of-main Application Review
W100	150	1	5.71	235.97	$80,250	Q2 2025	Full Main Application Review
W137	15	1 of 2	1.88	85.78	$78,500	Q2 2025	End-of-main Application Review
W122	118	1	0.03	11.85	TBD	Q2 2025	Full Main Scope Development
X026	598	2	5.18	227.24	TBD	Q4 2025	Full Main Scope Development
W107	368	3	6.39	292.38	TBD	Q2 2025	Full Main Scope Development
W095	340	1	1.95	103.27	TBD	Q2 2025	Full Main Scope Development
W125	412	1	2.72	115.87	TBD	Q4 2025	Full Main Scope Development
Q002	77	1 of 3	3.17	153.88	TBD	Q2 2025	End-of-main Scope Development
Total	**3,644**	**24 of 28**	**50.36**	**2,560.0**	**$1,002,000[20]**	**-**	**-**

[20] Does not include costs for projects that have not been scoped by the implementation contractor. Final numbers will be reported in the NPA Annual Report.

9.2: Energy Exchange

Detailed analyses were performed on the Gas Distribution System to identify the count and details of eligible pre-1972 gas service lines located on the system along with the buildings and accounts that they feed. These accounts were then cross-referenced with their customer segments. Summarized below are the totals of the accounts and number of buildings connected to eligible gas service lines by customer segment. This initial pool of eligible buildings is subject to change due to service lines that are replaced in conjunction with main replacements and service lines replaced due to leaks. Buildings from all customer segments are eligible to participate in the Energy Exchange Program. The measures modeled within an Energy Exchange portfolio are based on the customer segments that are most likely to participate, namely residential buildings with up to four units. These represent 86 percent of the eligible buildings. The incentives would enable the conversion of non-space heating gas equipment and appliances at targeted properties to electric alternatives and the elimination of associated leak-prone gas service lines.

Table 6: Summary of Eligible Buildings[21]

Customer Segment	Building Count
Residential Single Family	22,323
Residential 2-4 Family	7,111
Multifamily 5+	1,524
Small and Medium Businesses	2,335
Commercial & Industrial	961
Grand Total	**34,254**

[21] Building count as of October 29, 2024.

Expectations for the Energy Exchange Program

There are currently two active projects in implementation in the Energy Exchange program. Details on these projects are included below. In 2025, Con Edison will be focusing on developing additional educational content surrounding induction cooking, heat pump clothes dryers, and heat pump water heaters. While the Company anticipates completing more projects in 2025 it is too soon in the development of this program for the Company to provide specific programmatic projections beyond the projects that are currently in progress.

Table 7: Active Energy Exchange Projects

EX Project ID	Gas Service Abandonment Enabled (ft)	Total Peak Day Dth Reduction	Annual Dth Reduction	Estimated Project Cost[22]	Status
EX-Q-9327	26	0.053	19	$12,300	Pending Install
EX-Q-8012	48	0.032	12	$6,300	Application Review
Total	**74**	**0.085**	**31**	**$18,600**	

9.3: Area Load Relief

The Soundview Portfolio of the Area Load Relief program has been closed due to the need for the traditional reinforcement dissipating. Expenditures and learnings are available in the Company's NPA Annual Report. The Company is no longer offering NPA Adders for the Soundview area of the Bronx. There are remaining expenditures that remain to be closed out, including incentive and M&V spend for recent projects. These final numbers will be made available in the 2025 NPA Annual Report.

Expectations for the Area Load Relief Program

As previously indicated, there are currently no Area Load Relief NPA opportunities to

[22] Final project costs will be reported in future NPA Annual Report(s).

avoid demand-growth-based infrastructure in a three-to-five-year horizon. The Company is currently developing new gas distribution forecasting tools that may assist in the identification of system areas of potential constraint.