

**Con Edison Non-Wires Solution
Prescriptive Incentive Offering – Energy Storage System
Brooklyn Queens Demand Management (BQDM)**

2019 Program Manual

August 2019

Brooklyn Queens Demand Management (BQDM) Program Overview

The Con Edison Non-Wires Solutions (NWS) team offers incentives for distributed energy resources that help reduce electric demand, in 'BQDM' eligible neighborhoods within Brooklyn and Queens. The program offers incentives for installing qualified measures that reduce grid peak load, which typically occurs on the hottest weekday evenings. Many of these measures may help improve a customer's bottom line by reducing energy use and costs while protecting the environment and improving resiliency.

Energy Storage System Incentive Offering

For a limited time, Con Edison is offering incentives to customers or developers who install Energy Storage Systems (ESS) in eligible neighborhoods of Brooklyn and Queens, which are operational by **June 1, 2020**.

Incentives are available for ESS installed "front of the meter" or "behind the meter" at facilities of Con Edison customers in good standing. **Program is capped at 5,000kW.**

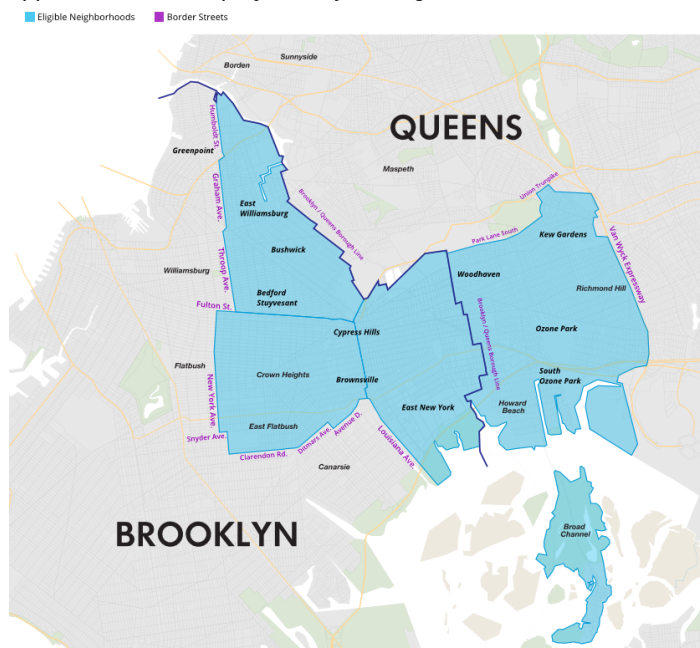
In exchange for BQDM ESS incentives, participants agree to provide Con Edison with full dispatch rights to the ESS on "NWS Event" days with day-ahead notification during 10 consecutive Summer Capability Periods (May 1 – September 30). See the [Program Agreement](#) for complete terms and conditions.

Applicable projects include ESS and/or a pairing of ESS + generation (i.e., Solar, Fuel Cell, or CHP). The incentive rate only applies to the energy storage portion of an ESS + generation pairing.

Key BQDM ESS Incentive Program Features

Project Type	2019 Incentive Rate (\$/kW)	Incentive Application Deadline	Project Operational Deadline
ESS (e.g., batteries)	\$2,100/kW*	November 1, 2019	June 1, 2020

* Incentive (\$) is not capped, however no project may be larger than 5,000kW. Incentive rate assumes a minimum 4 hour duration.



For more information, contact dsm@coned.com

Eligibility Requirements

1. Project location eligibility must be verified by Con Edison. Parts of eligible BQDM neighborhoods include:
 - Brooklyn, New York: Bedford-Stuyvesant, Brownsville, Bushwick, Crown Heights, Cypress Hills, East Flatbush, East New York, East Williamsburg
 - Queens, New York: Broad Channel, Howard Beach, Kew Gardens, Ozone Park, Richmond Hill, South Ozone Park and Woodhaven.
 - To verify customer eligibility, contact DSM@coned.com
2. Qualifying Technologies
 - Qualifying technologies are limited to (battery) energy storage systems, though eligible ESS chemistries, materials, and manufacturers are not restricted. A project can be sited on either side of the customer's electric meter (i.e. the project can be a Behind-the-Meter "BTM" or in Front-of-the-Meter "FTM" solution).
 - Con Edison will evaluate, on a first come-first-serve-basis, which projects are most cost-effective and provide the greatest benefits to ratepayers, including those that can provide direct customer value. **Program is capped at 5,000kW.**
3. Demand Reduction Requirement
 - There is no minimum Peak Demand Reduction requirement for individual ESS projects, however ESS projects are limited to a maximum 5,000kW of rated output.
 - A proposed project or portfolio must be available to provide demand reduction for a minimum of four (4) consecutive hours when called upon via day-ahead notification.
4. Additional Technologies
 - Eligible ESS projects can be paired with generation technologies, however this incentive offering is limited to the Demand Reduction provided by ESS.
5. Project Completion
 - ESS projects must be operationally available to Con Edison by **June 1, 2020** as described in the Non-Wires Solutions Energy Storage **Program Agreement**.
6. Operational Availability
 - Projects must be able to provide contracted demand reduction services during the Overload Period, with day-ahead notification of an NWS Event. **Failure to meet operational deadline or contracted Demand Reduction during NWS Event days may result in liquidated damages.**
 - A "NWS Event" is called by Con Edison when a determination is made by Con Edison that Demand Reduction is needed to help provide load relief capacity during peak times of demand on the grid, and which results in a request by Con Edison of a participant to meet its Demand Reduction obligation by providing dispatchable energy capacity from the ESS solution.

Key Program Requirements (See [Program Agreement](#) for full terms and conditions)

Milestone Date	Action	Timing Notes
November 1, 2019	Incentive application deadline	Applications reviewed first-come, first served
<i>Dependent on application submission date</i>	Applicant notification	Within 10 business days following application submission, and no later than November 15 th , 2019.
<i>Dependent on application submission date</i>	Security requirement due	Within 60 days of contract execution
June 1, 2020	System operational date	

The Applicant Must:

- Locate ESS Projects within eligible areas of qualifying neighborhoods (i.e., locations served by the Crown Heights, Ridgewood, and Richmond Hill distribution networks), subject to verification by Con Edison.
- Comply with the program timeline listed in this Program Manual.
- Secure Project sites that endure for 10 concurrent Summer Capability Periods (May 1 – September 30).
- Operate according to program needs during the Summer Capability Period for ten (10) consecutive summers following ESS installation. After this 10 year NWS ESS operational period, the applicant and the ESS asset are released from NWS Program obligations.
- Provide a list of acquired customers and/or customer sites for ESS deployment at the time of application submission (no later than November 1, 2019).
- Provide full dispatch rights for the ESS Project to Con Edison during the Summer Capability Period (May 1 through September 30) with day-ahead notification of the dispatch, for the duration of 10 concurrent summer seasons. Full dispatch rights include deployment of the ESS at different times of the overload period and at different power levels as determined by Con Edison.
- Interconnect in compliance with the requirements and terms and conditions set forth in the New York State Standardized Interconnection Requirements, Link: [New York State Standardized Interconnection Requirements \(SIR\)](#).
- Meet the requirements of the Company as the primary dispatch obligation before operating the ESS for host-sites, applicable markets or any other obligation or arrangement.
- Enter into agreements with customer host-sites to provide demand charge savings and/or provide Distribution Services to applicable markets to maximize current and future ESS revenue streams.
- Hold periodic Project status calls with Con Edison to discuss whether the Project is on schedule and to assess any aspects that require assistance from Con Edison.
- Sign and deliver the Certificate of Completion along with all itemized invoices to Con Edison by **June 1, 2020**, indicating operational availability of the ESS.

Exclusions

- Applicant may not participate in or receive compensation from Con Edison's Demand Response (e.g. CSR or DLRP), or Demand Management Programs for the duration of 10 Summer Capability Periods.
- The Applicant may not participate in future Con Edison or other programs if they interfere with Con Edison's ability to fully dispatch the ESS unit(s) as part of the NWS agreement.

Incentive Payment Details

1. Fifty percent of the awarded incentive amount will be paid upon operational availability of the Project. Remaining incentive payments will be issued annually as reservation payments following each Summer Capability Period and adjusted based upon ESS performance verification, any applicable Liquidated Damages, and shared revenues. Summer Capability Period performance is measured according to Con Edison's Performance Verification Plan Version 1.1.
2. The Applicant is required to share revenue streams from New York Independent System Operator (NYISO) market participation as a credit towards Con Edison's reservation payment. The shared revenue split is 75% to Con Edison, 25% to the Applicant. Revenue streams from customer demand bill savings, Value Stack compensation, and available incentives from New York State Energy Research and Development Authority (NYSERDA) are not required to be shared with Con Edison.
3. Other Incentives: On March 11, 2019 the New York State Energy Research and Development Authority (NYSERDA) released its Energy Storage Market Acceleration Incentives Implementation Plan. The Retail Storage Program described therein provides an additional potential source of funds to reduce the level of incentive requested from Con Edison and improve project economics. Con Edison expects that applicants will also seek the NYSEERDA Retail Storage Incentive to additionally fund ESS projects. Please visit New York State Department of Public Service ([Case 18-E-0130](#)) for information regarding NYSEERDA's proposed [Energy Storage Retail Incentive Program](#). More information on NYSEERDA's Energy Storage in New York efforts can be found on the [NYSEERDA Energy Storage](#) website.

Application Package Documentation

Submit a complete Application Package that includes the following items:

1. **Complete and signed Program Agreement including:**
 - Addendum 1 (Multiple Facilities Template) to list more than one customer site
2. **Project Narrative, including:**
 - Scope of work and project details, including: technology description, project location and applicable customer site information; proposed Demand Reduction guarantee (kW) at End-of-Life, and duration (minimum of 4 hours); Anticipated system degradation rate; Dispatchable kWh for years 1 through 10 of the program
 - Anticipated project permitting, installation, and interconnection schedule
 - Professional Background and Experience with the Proposed ESS
3. **Cut sheets**
4. **W-9 Form (2018 version)**

Incentive Program Process Overview

1. **Submit Application Package on or before November 1, 2019**
2. **Project Screening**
 - a. Pre-screening will start upon the receipt of the application and will assess that the application is complete, accurate and includes all required attachments.
3. **Application Approval and Contract Execution**
 - a. Incentives are awarded to complete and eligible project applicants on a first-come, first served basis and at Con Edison's sole discretion. **Program is capped at 5,000kW.**
 - b. Application approval decision will be made to communicate within 10 business days of complete application receipt.

- c. Con Edison counter-signature of Non-Wires Solutions Energy Storage Program Agreement will occur as soon as possible following award notification, but no later than **November 15, 2019**.

4. Security Requirement

- a. Financial assurances will be required to ensure that qualifying technologies will be installed and operational on or before the contracted in-service date. Selected applicants must submit security within 60 days of the contract execution date. Security will be calculated at \$150 per kW of Peak Demand Reduction or 30 percent of the requested incentive, whichever is less.
- b. Security will be returned to the Applicant after the first Summer Capability Period. Security will be forfeited by any cancelled project with an executed contract.

5. Equipment Operational Date

- a. By **June 1, 2020** the ESS Project must meet the Operational Date Requirements listed in the Non-Wires Solutions Energy Storage Program Agreement, including submission of Certificate of Completion and any required performance testing.

6. Submit Invoice for Installation Incentive Payment

- a. After Operational Date requirements are met, the Applicant may submit an invoice for the Installation payment to Con Edison.
 - i. Itemized Installation Cost Estimate
 - 1. Materials (e.g., controls, structural, electrical, HVAC, Piping, Metering)
 - 2. Labor
 - 3. Operating expenses
 - 4. Commissioning
 - ii. BQDM ESS Initial Installation Invoice Backup Checklist
 - 1. Program Agreement signed
 - a. Addendum 1 – Multi-Facilities Template (optional)
 - 2. W-9 Form
 - 3. Letter of Credit or Cash Collateral
 - 4. As-built
 - 5. Post-inspection report