Targeted Steam Air Conditioning Incentive Program
PROGRAM GUIDELINES – Steam Chiller Incentives

To qualify for the Targeted Steam Air Conditioning Incentive Program (“Program” or “Incentive Program”), a signed application (the “Program Application”) and all required supporting materials must be received and approved by Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) prior to ordering, purchasing, or installing any equipment. Eligibility for and participation in the Program is contingent upon the customer satisfying all of the criteria set forth in the Program Guidelines. These Steam Chiller Incentive Program Guidelines, together with those Program Guidelines governing “Eligibility Criteria and Participation Requirements” and “Annual Maintenance Incentives” collectively comprise the Program Guidelines. All such documents, together with the form of customer agreement that you will be required to execute if you are accepted into the Program (the “Customer Agreement”) and the Program Application, are available on the Company’s website at http://www.coned.com/steamac and you are encouraged to read them in their entirety. If you have any questions, please contact Con Edison at the phone number identified in the Program Application. (Capitalized terms used and not defined herein have the meanings set forth in the other components of the Program Guidelines and the Customer Agreement).

The following are the procedural steps required for a customer to apply for and receive a Steam Chiller Incentive payment:

1. **Program Application and Required Submissions.** To be eligible to receive any Steam Chiller Incentive in respect of customer’s purchase and installation of selected steam powered chiller equipment (as described in paragraph 15 below)(the “Incentivized Equipment”), the customer (or his, her or its authorized agent) must review, complete, sign and submit the Program Application (available on http://www.coned.com/steamac), calculation worksheet, proposed Incentivized Equipment selection information, and all applicable additional materials to Con Edison for the associated Steam AC project. If a customer intends to utilize an authorized agent, evidence of the agent’s authority, signed by the customer, shall be submitted with the application material package.

2. **Requirements for Maintenance Incentives.** If the customer wishes to apply for Annual Maintenance Incentives, in addition to the Steam Chiller Incentive, the customer must: (i) so indicate in its submitted Program Application, or (ii) send a letter to Con Edison, no later than 30 days after the Submission Date assigned to customer’s Application (as described below), indicating customer’s desire to participate in this portion of the Incentive Program. Customers who fail to provide the aforementioned notification will not be eligible for any Maintenance Incentives. Please see “PROGRAM GUIDELINES – Annual Maintenance Incentives” for further information.

3. **Con Edison Review.** Con Edison will review the customer’s Application and all supporting material submitted therewith for compliance with the Program eligibility criteria. If Con Edison identifies any errors in or omissions from customer’s submitted Application or any such supporting material, a Company representative will contact the customer (or authorized agent) to address such issues and may request that the customer re-submit corrected Application materials. If the information fails to meet the Program’s eligibility criteria, Con Edison will reject the Application.

4. **Application Acceptance; Pre-Installation Inspection.** If the customer’s Application is complete and appears to meet the Program’s eligibility criteria, (i) Con Edison will assign a Submission Date to customer’s Application, and (ii) a Con Edison representative will contact the customer (or authorized agent) to schedule a pre-installation inspection field visit to customer’s property for the purpose of verifying the information contained in the Application.
material and assessing existing chiller plant conditions. The customer shall provide Con Edison with all such access to the building and steam equipment as shall reasonably be necessary or appropriate to verify existing conditions and shall make any and all relevant equipment documents available for review on-site by Con Edison during the field visit. Failure to provide access to the building, equipment or documents will result in the field visit being rescheduled; provided that Con Edison will accommodate a rescheduled field visit on one (1) occasion only. Additional inspections required due to lack of access or customer cooperation will result in rejection of the Program Application.

5. **Communication of Program Approval/Rejection.** Following completion of Con Edison’s field visit and receipt of any corrected Application materials, if required, Con Edison will determine if the project has satisfied all of the Program eligibility requirements. If approved, the customer will receive an acceptance letter from Con Edison, specifying the estimated dollar amount of the approved Steam Chiller Incentive as well as a summary of the project details (the “Acceptance Letter”), and enclosing therewith the form of Customer Agreement customer will be required to execute as a condition of such acceptance. If customer’s approved Application contemplates installation or operation of a hybrid chiller plant, then the Acceptance Letter will also include an estimate of the electric load reduction commitment customer will be required to effectuate, when called upon to do so by the Company, in accordance with the terms and subject to the conditions described in the Customer Agreement and the Program Guidelines. (See “PROGRAM GUIDELINES – Eligibility Criteria and Participation Requirements” and the form of Customer Agreement available on the Con Edison Steam Service website, [http://www.coned.com/steamac](http://www.coned.com/steamac)). If rejected, the customer will receive an official rejection letter from Con Edison, specifying the reasons for rejection and Con Edison contact information if further discussion is desired.

6. **Incentive Amounts.** Customer’s Steam Chiller Incentive estimate cited in the Acceptance Letter will be based on the scope of the project and the equipment (existing and proposed to be installed) as identified in customer’s Application and verified in the pre-installation field visit, and will be calculated in accordance with these Program Guidelines. Consequently, any changes to project scope or equipment selection or specifications may change the amount of the Steam Chiller Incentive, and customer is solely responsible for informing Con Edison of any and all project changes. The final Steam Chiller Incentive amount payable to customer will be based on the results of the post-installation inspection and will be communicated to customer in a letter upon completion of such post-installation inspection (the “Post Inspection Letter”).

7. **Execution of Customer Agreement; Purchasing Equipment; Requirements for Completion/Extension.** Contemporaneously with (and, in any event, no later than 30 days following) customer’s receipt of an Acceptance Letter from Con Edison, customer shall execute and deliver to Con Edison the Customer Agreement, in substantially the form thereof available on the Company’s website and/or enclosed with the Acceptance Letter, or with such changes thereto as Con Edison shall, in its sole discretion, approve. Customer’s receipt of an Acceptance Letter from Con Edison, together with the Customer Agreement, duly executed and delivered by customer and the Company, serve as customer’s authorization to order, purchase, and install the approved equipment. If customer fails to execute and deliver the Customer Agreement within such thirty (30) day period, the Company reserves the right to reject customer from the Program. Pursuant to the Customer Agreement, customer shall be solely responsible for all work pertaining to the installation of the Incentivized Equipment, including to complete the installation within twelve (12) months from the date of the Agreement, unless a written request for an extension (not to exceed six (6) months) is received by the Company at least sixty (60) days prior to the expiration of such 12 month period, in which event customer must complete the installation within such
extended period. Failure to comply with the foregoing will result in a forfeiture of customer’s incentive payments.

8. **Pre-Installation Submissions.** Prior to the installation of the new equipment, the customer is required to submit the following materials to Con Edison for review and approval:
   
   (a) Revised steam load letter reflecting post-installation equipment loads.
   (b) Design drawings, shop drawings, and piping stress calculations for any and all high pressure steam or condensate piping modifications.
   (c) Any and all modifications to the foregoing (which shall, in any event, (a) abide by all Program Guideline requirements, as available on the Con Edison Steam website: [http://www.coned.com/steamac](http://www.coned.com/steamac) and (b) be filed by customer with the New York City Department of Buildings).

9. **Notification of Completion.** After the installation has been completed, the customer (or authorized agent) shall submit to Con Edison (i) notification of completion (in writing), together with (ii) a photocopy of Incentivized Equipment invoice, which invoice must state or contain:
   
   (a) The date the Incentivized Equipment was ordered
   (b) A complete description of the Incentivized Equipment
   (c) Model and serial number
   (d) Delivery date
   (e) An itemized breakdown of cost (i.e. equipment costs, labor charges, and applicable taxes).

10. **Post-Installation Inspection.** Upon receipt of the documents identified in paragraph 9, Con Edison shall schedule a final post-installation inspection to confirm the Incentivized Equipment and verify the completion of its installation. This field visit is required to be completed prior to the expiration date under the Customer Agreement (described in paragraph 7) for a customer to receive the applicable Program incentives. The customer shall provide Con Edison with all such access to the building and the Incentivized Equipment as shall reasonably be necessary or appropriate to verify the chiller installation and shall make any and all relevant equipment documents available for review on-site by Con Edison during the field visit. Failure to provide access to the building, equipment or documents will result in the field visit being rescheduled; provided that Con Edison will accommodate a rescheduled field visit on one (1) occasion only. Additional inspections required due to lack of access or customer cooperation will result in non-payment of the Program incentives.

11. **Post-Inspection Letter; Incentive Payment.** If the post-installation inspection is satisfactory, the customer will be mailed, to the address provided in the Program Application, a final, Post-Inspection Letter from Con Edison, specifying the final Steam Chiller Incentive Amount payable and enclosing therewith the incentive check. If customer is operating a hybrid chiller plant, then the Post-Inspection Letter will also include the final, confirmed electric load reduction commitment customer is required to effectuate pursuant to the terms of the Customer Agreement. If the installation is not accepted, then customer will receive an official Rejection Letter from Con Edison. The letter will indicate the reasons for rejection and Con Edison contact information if further discussion is required.

12. **Clawback.** Steam Chiller Incentives are subject to certain clawback rights of Con Edison as detailed in the Customer Agreement. All customers should review the Customer Agreement contract in detail to understand all of their Program obligations.

13. **First Come, First Served.** The Program will be operated on a first come, first served basis. The Submission Date will be used to determine the order in which applicants completed the initial administrative portion of the incentive procedure. This order will be used to determine project priority for incentives and administrative attention.
14. **Commitment to Accepted Projects.** Customers who receive an Acceptance Letter and execute a Customer Agreement within the time period required by these Guidelines will have the estimated incentive funds deemed “committed” and thus reserved for the project until payment is rendered or released due to rejection.

15. **Chiller Equipment Incentive Levels:**

<table>
<thead>
<tr>
<th>Steam AC Equipment Type</th>
<th>Capacity Range</th>
<th>Incentive Level (1)(2) ($ per ton)</th>
<th>Incentive Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steam Turbine Chiller</td>
<td>Less than or equal to 1,700 tons</td>
<td>$600</td>
<td>Up to 65% of the delivered equipment cost (3)</td>
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<tr>
<td></td>
<td>Greater than 1,700 tons</td>
<td>$525</td>
<td></td>
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<tr>
<td>Double Stage Steam</td>
<td>All</td>
<td>$480</td>
<td></td>
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<tr>
<td>Absorption Chiller</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Single Stage Steam</td>
<td>All</td>
<td>$325</td>
<td></td>
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<tr>
<td>Absorption Chiller</td>
<td></td>
<td></td>
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<tr>
<td>Custom Chiller Project</td>
<td>All</td>
<td></td>
<td>Incentives shall be determined on a case-by-case basis. Con Edison shall review the required material to determine the incentive offering for each eligible project.</td>
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<td>(4)</td>
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**Notes:**

(1) All projects must be completed (fully operational) by June 1, 2016 to be eligible for the above incentives. No exceptions. Projects completed after June 1, 2016 are subject to reduced or eliminated incentives.

(2) A large project bonus incentive is available for any projects with a combined electric avoidance of 500kW or greater (about 900 tons or greater). A 10% bonus is applied to the above incentives for projects of 500kW to 999kW. A 15% bonus is applied to the above incentives for projects of 1000kW or greater. See Demand Management Program requirements for details.

(3) Delivered equipment cost represents the total invoiced cost associated with purchase of the chiller equipment. This cost includes all delivery, labor, equipment, and taxes associated with purchasing the chiller equipment and delivering it to the property. Any additional customer costs, including but not limited to, site preparation, rigging, demolition, installation and equipment removal are not to be included in the total invoiced cost.

(4) Custom projects are subject to Con Edison review and approval for eligibility and incentive levels as set forth in the Program Guidelines.

16. **Reservation of Rights.** Con Edison reserves the right to amend these and the other Program Guidelines at any time and for any reason. Con Edison further reserves the right to reject Applications and/or suspend or discontinue the Program at any time based on Program activity, budgets, other Company commitments, or for any other reason. The Program’s budget, incentive levels, and incentive availability/eligibility will be re-evaluated, and may change, on an annual basis based on the number of Program applications received, the amount of committed incentives, market conditions, forecasted steam-to-electric conversions, electric load relief needs and timelines, and other Con Edison initiatives and/or commitments.