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Rider AC Term and Auto DLM Webinar

December 2, 2025

Agenda

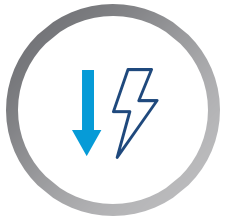
Term- and Auto- DLM Overview

RFP Updates and Overview

Closing Remarks

Term- and Auto-DLM Overview

Term-DLM and Auto-DLM Programs



Term-DLM	Auto-DLM
Technology Agnostic	
• Day-ahead peak shaving • 21-hour day-ahead notification • Can activate at 88% of forecasted system peak and will activate at 92% of the forecasted system peak • 1 hour test events	• Peak Shaving and Reliability • At least 10 min notification • Dispatched for Term-DLM events • Contingency events can be called 7 days a week from 8AM-12AM
Dual participation allowed only with DLRP	**Cannot participate in CSRP/DLRP or Term-DLM**

Long Term Contracts for DR Resources

RFP Process	Capability Period	Contract Length
November through February, with contracts signed by July	May 1 through September 30	3-5 Years

- Competitively procured long term contracts with more demanding performance standards vs. annually-enrolled CSRP/DLRP programs
  - Penalties for underperformance
  - e.g., 100 kW with $100/kW incentive and an average season performance factor of -0.20 = -$2,000
- Applicants provide incentive rate ($/kW) for each bid; it determines annual compensation rate
- Once clearing bids are determined, Participants are given the chance to accept or reject a contract (in full)

Term – DLM

Load Forecast Threshold and Historical Event Frequency

Year	92% of Forecasted Summer System Peak (kW)	88% of Forecasted Summer System Peak (kW)	Weekdays above 92% of Forecasted Summer System Peak (Days)	Weekdays above 88% of Forecasted Summer System Peak (Days)
2021	11,900	11,400	1	6
2022	11,600	11,100	6	8
2023	12,000	11,400	0	4
2024	11,800	11,300	3	7
2025	11,600	11,100	6	9

Auto – DLM

Historical DLRP Event Calling Frequency

Year	Days with DLRP Events	Maximum Events any Network was Called For	Test Events
2021	9	4	1
2022	8	2	1
2023	11	3	1
2024	14	5	1
2025	16	8	1

Application Incentives & Payment Example

Program	Monthly $/kW Incentive Rate (Fixed)	Annual $/kW Incentive Rate (Bid)	Annual Reservation Payment ($/kW) with 100% Performance Factor
CSRP	$18	-	$18 x 5 months = $90
CSRP + DLRP	$18 + $18 = $36	-	$36 x 5 months = $180
Term-DLM	-	$90	$90
Auto-DLM	-	$180	$180

Incentives for CSRP/DLRP provided as a basis for comparison

Performance Evaluation and Payments

Payment Timing and Calculation

- Both **Reservation** and **Performance** Payments will be issued once per year after the conclusion of the Capability Period
- Payments calculated by Aggregation

Reservation Payment = Portfolio Quantity (kW) X Incentive Rate ($/kW) X Avg. Season PF

If Average Season Performance Factor (PF) is less than 0, Aggregations will **OWE** penalties

- These can be deducted from revenue earned by other Aggregations or invoiced separately

Performance Payments = Aggregation Load Relief in kWh across all events X $1 per kWh

- Performance Payments will not be paid based on the performance of customers simultaneously participating in a DLRP Event
- Performance Payments will not be paid based on the performance of customers enrolled in Rider R

Customer Eligibility

Customer Category	Eligibility
Enrolled in DLRP	• Ineligible to enroll in Auto-DLM
Enrolled in CSRP or Rider L	• Ineligible to enroll in both Term- and Auto-DLM
Under Non-Wires Solution contract	
Participates in Net-Energy Metering (NEM)	
Utilizes Diesel fired generators	
Participates in the Value Stack	• Must forgo DRV/LSRV components of the Value Stack for the duration of the Rider AC contract • Prohibited from receiving performance payments
Enrolled by another Aggregator	• Customer – Aggregator relationship is mutually exclusive • Customers cannot participate in multiple programs with different aggregators
Utilizes Natural Gas fired Generators	• Must meet permit and emissions requirements, as listed in Rider AC

*Added capacity may be bid into future Non-Wires Solutions projects

Customer Enrollment

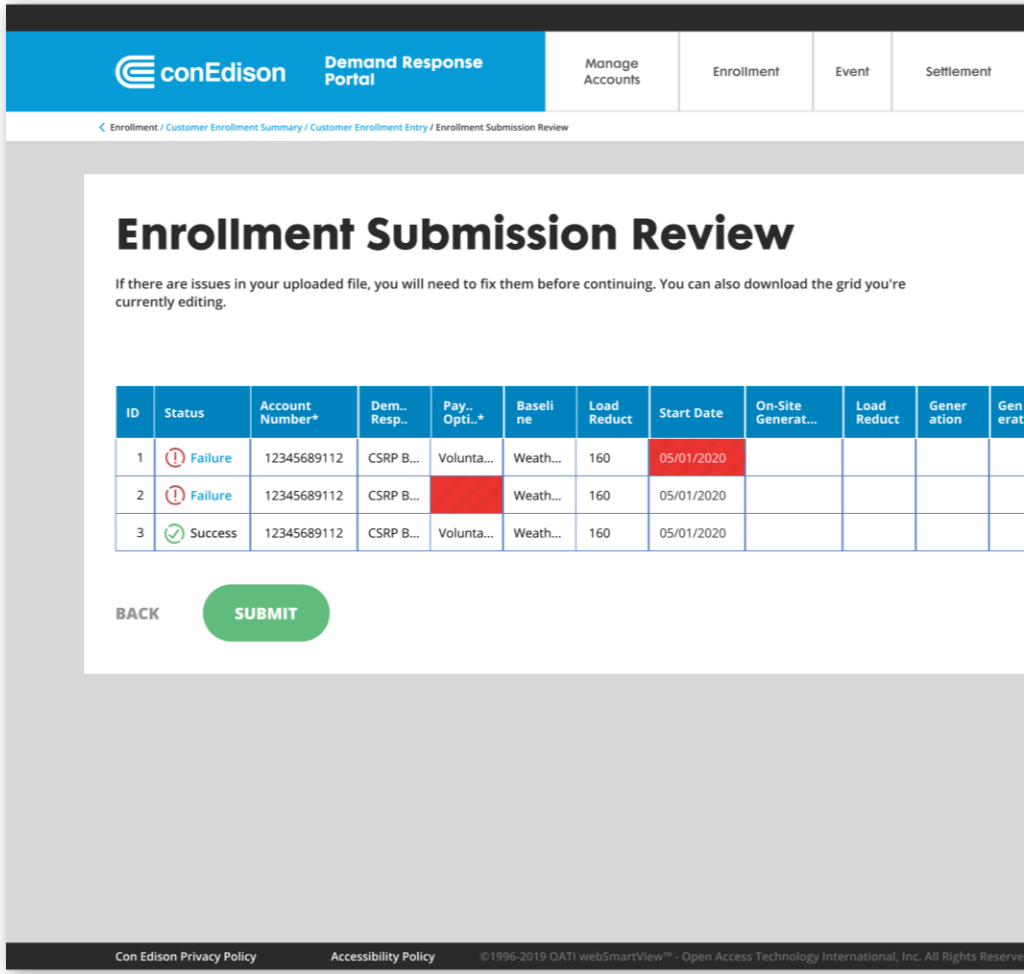
- Enrollments in DR Portal open January 1 with an April 1 deadline
- Aggregators with executed Program Agreements will be granted access

All Customer Enrollments Include

- Account Number
- Program Choice (Term- or Auto-DLM)
- Baseline Verification Methodology
- Load Relief via Curtailment (kW) if applicable
- Sub-aggregation number if applicable
- Vintage Year

Customers using Generation or ESS:

- Load Relief via equipment (kW) & Equipment details: Nameplate Capacity (kW), Asset Type, Capacity (kWh), Model year, Manufacturer, and associated compliance documentation



Best Practices for Participation

Category	Best Practices
Energy Storage Systems	• Exporting consistently during call window on non-event days may hurt performance; • Review Rider AC program requirements while going through interconnection to ensure compliance
APIs	• Increase efficiency of enrollment process and event dispatch notifications; • Notify demandresponse@coned.com for access
OpenADR	• Machine-to-Machine communications for autonomous dispatch during events; • Notify demandresponse@coned.com for access

RFP Updates and Process

Updates to the RFP Document

Update	Goal	Notes
Additional language on Clearing Process	Increase transparency	• Emphasize competitive process • Details on value streams included in BCA
Award Acceptance/ Rejection Agreements	Maximize contracted MW	• Opportunity to re-open clearing process to clear additional viable bids, while maintaining overall cost-effectiveness; • No guarantee the clearing process will be re-opened
Removing Tiers for Auto-DLM	Simplify price signals, increase transparency	• Simplify price signal by removing network-specific multipliers • Emphasize transparency and reducing confusion around how different networks are valued in the BCA
Miscellaneous	-	• Metering requirements updates to match changes to Rider T • New email for submissions and questions: DLMprocurement@coned.com • Enrollment window will open in January

Evaluation and Clearing

- **Competitive** process based on “societal” cost-effectiveness
- Uses a Benefit-Cost Analysis framework to clear bids

Evaluation Overview

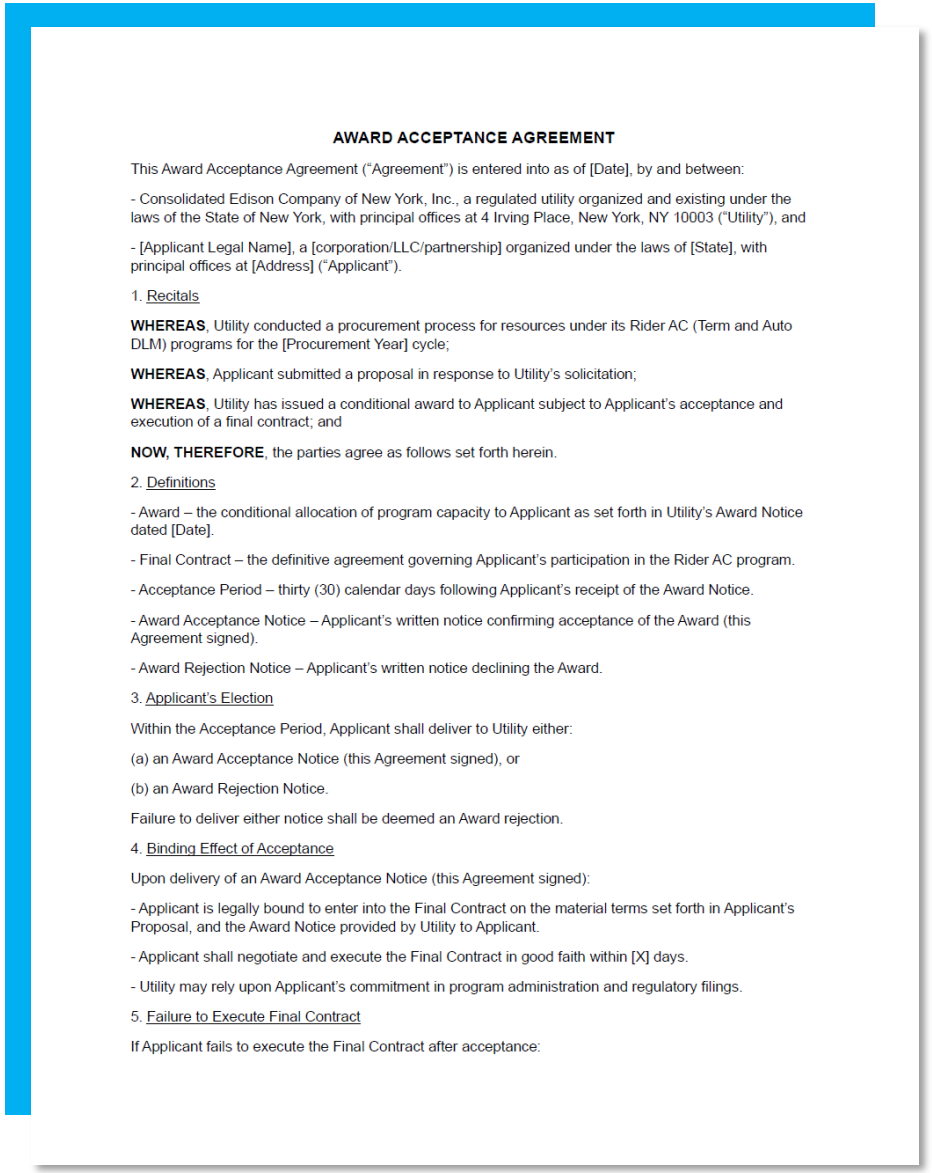
Portfolio Evaluation	2027 and 2028 submissions are reviewed by individual Aggregation, as well as a portfolio
Term-DLM	Valued at 60% of equivalent Auto-DLM submission
Auto-DLM	Dispatched for Term-DLM events and contingencies Will *not* be split into Tier 1 / Tier 2 for this cycle

NEW – Award Acceptance

- Con Edison will send “Award Notification” to successful bid winners with the list of all aggregations that have cleared by March 6, 2026
- Award Acceptance/Rejection Agreement
  - Decision prior to contract execution to determine which Applicants will move forward with contracting
  - Company will use this information to determine if additional submissions can clear

Two options:

- Accept or reject in full
- Cannot accept/reject individual aggregations



AWARD ACCEPTANCE AGREEMENT

This Award Acceptance Agreement (“Agreement”) is entered into as of [Date], by and between:

- Consolidated Edison Company of New York, Inc., a regulated utility organized and existing under the laws of the State of New York, with principal offices at 4 Irving Place, New York, NY 10003 (“Utility”), and

- [Applicant Legal Name], a [corporation/LLC/partnership] organized under the laws of [State], with principal offices at [Address] (“Applicant”).

1. Recitals

WHEREAS, Utility conducted a procurement process for resources under its Rider AC (Term and Auto DLM) programs for the [Procurement Year] cycle;

WHEREAS, Applicant submitted a proposal in response to Utility’s solicitation;

WHEREAS, Utility has issued a conditional award to Applicant subject to Applicant’s acceptance and execution of a final contract; and

NOW, THEREFORE, the parties agree as follows set forth herein.

2. Definitions

- Award – the conditional allocation of program capacity to Applicant as set forth in Utility’s Award Notice dated [Date].

- Final Contract – the definitive agreement governing Applicant’s participation in the Rider AC program.

- Acceptance Period – thirty (30) calendar days following Applicant’s receipt of the Award Notice.

- Award Acceptance Notice – Applicant’s written notice confirming acceptance of the Award (this Agreement signed).

- Award Rejection Notice – Applicant’s written notice declining the Award.

3. Applicant’s Election

Within the Acceptance Period, Applicant shall deliver to Utility either:

(a) an Award Acceptance Notice (this Agreement signed), or

(b) an Award Rejection Notice.

Failure to deliver either notice shall be deemed an Award rejection.

4. Binding Effect of Acceptance

Upon delivery of an Award Acceptance Notice (this Agreement signed):

- Applicant is legally bound to enter into the Final Contract on the material terms set forth in Applicant’s Proposal, and the Award Notice provided by Utility to Applicant.

- Applicant shall negotiate and execute the Final Contract in good faith within [X] days.

- Utility may rely upon Applicant’s commitment in program administration and regulatory filings.

5. Failure to Execute Final Contract

If Applicant fails to execute the Final Contract after acceptance:

Application Process and Schedule

Submission Form

- Proposal templates for 2027 and 2028 Vintage Years found on Dynamic Load Management Request for Proposals webpage
  - Three tabs within, including a cover sheet, Term-DLM proposal sheet, and Auto-DLM proposal sheet.
  - Morgan network added beginning with this procurement cycle
- Term- and Auto-DLM inputs
  - Please read the instructions in red. Each Network may only include up to 3 sub-aggregations
- **The Demand Response team will confirm receipt of submission**

TERM-DLM PROPOSAL - VINTAGE YEAR 2027

INSTRUCTIONS TO APPLICANTS: INPUT INTO YELLOW CELLS ONLY.
Each Network may only include up to 3 subaggregations. Each applicable Network is listed below.
All quantities including load relief and $/kW, should be rounded to the nearest whole number.
Duration is limited to 3-5 years.

Borough	Load Relief Area (Network)	Aggregation #1 Pledged Load Relief (kW)	Aggregation #1 Price ($/kW)	Aggregation #2 Pledged Load Relief (kW)	Aggregation #2 Price ($/kW)	Aggregation #3 Pledged Load Relief (kW)	Aggregation #3 Price ($/kW)	Duration (Years)	TOTAL PLEDGED LOAD RELIEF (kW)	TOTAL POTENTIAL COMPENSATION ($/kW)
MN	Battery Park City								0	#DIV/0!
BK	Bay Ridge								0	#DIV/0!
MN	Beekman								0	#DIV/0!
QN	Borden								0	#DIV/0!
BK	Borough Hall								0	#DIV/0!

Milestones & Deadlines

DLM Competitive Procurement

2025

November

20
RFP Released for Vintage Year 2027 & 2028

December

2
Webinar

12
Questions Deadline

19
Question Responses

2026

February

6
RFP Response Deadline

March

6
Award Notification

April

10
“Award Acceptance Notice” deadline & TPRA Start

24
Re-opened clearing award notification & TPRA Start

July

17
Contract Execution deadline (TPRA must be finalized and approved)

November

1
Early Exit Deadline for 2027 Capability Period

Program Implementation

2027

January

1
Enrollment Period Opens for 2027 Capability Period

April

1
Enrollment Period closes for 2027 Capability Period

May – September

Summer Capability Period

5/1 – **9/30**

November

1
Early Exit Deadline for 2028 Capability Period

Closing Remarks

Upcoming Rider AC and DR Timeline

2025	2026	2026
December	**January**	**February**
12 Clarification Questions Submittal Deadline	**1** Call Windows and Network Tiers Released	**6** RFP Response Deadline
19 Question Responses	Enrollment portal opens	**Stay Tuned for the Pre-Season CSRP/DLRP Webinar**

Questions

DLMprocurement@coned.com
www.coned.com/dr

conEdison

Thank you

Appendix

Grid Connected Resources in the Event of an Outage

If an outage occurs:

Interconnected at Reliability Standard:

- **100% Performance** applied if a system outage requires export curtailment.

Interconnected Below Reliability Standard

- Event performance factors calculated **without adjustment** for that event.

Performance Evaluation and Payments

Event Performance Assessment and Payments

- Early Exit Fees can be paid to reduce the Portfolio Quantity for an Aggregation over the remainder of a contract
- If an Aggregator fails to enroll Customers in an Aggregation, a cancellation can be implemented during a Capability Period and an Early Exit Fee will be assessed immediately
- Event performance is calculated at an Aggregation level
- Average Seasonal Performance Factors across all events determine annual Reservation Payments along with Incentive Rates and Portfolio Quantity of Load Relief associated with an Aggregation
- Aggregations are eligible to earn both Reservation Payments and Performance Payments
  - Performance Payments are based on kWh of Load Relief provided by Aggregation across events
  - Poor performance across events can result in both financial penalties at the end of a season and early termination of Aggregations as part of a contract

Performance Evaluation and Payments

Performance Calculations

- Load Relief provided during events is measured at an Aggregation level summing Load Relief provided by all customers associated with that Aggregation
  - Participants can select a **Baseline Verification Methodology** for each Customer

Event Performance Factor = Sum of Load Relief provided by Customers in an Aggregation / Portfolio Quantity (Capped at maximum value of 1.00 and minimum value of 0.00)

- **Adjusted Performance Factor =**

Program	Event Performance Factor	Adjusted Performance Factor
Term-DLM	≥ 0.80	= Event Performance Factor
	< 0.80	= Event Performance Factor – (0.80 – Event Performance Factor)
Auto-DLM	≥ 0.90	= Event Performance Factor
	< 0.90	= Event Performance Factor – (0.90 – Event Performance Factor)

- **Average Season Performance Factor** = Average of all Adjusted Performance Factors for Events held during a Capability Period

Performance Evaluation and Payments

Performance Calculation Example (Term-DLM)

Event	Event Performance Factor	Adjusted Performance Factor
Event 1	1.00	1.00
Event 2	0.70	0.60
Event 3	0.20	-0.40
Season Average		**1.20 / 3 Events = 0.40**

Understanding Penalties and Exit Fees

Timeline	Description	Penalty or Fee Trigger	Equation
Before Nov 1 (Prior Year)	Early Exit Declaration Window	Early Exit Fee applies if aggregator declares a Deficient Quantity	**Early Exit Fee =** Deficient Quantity × Incentive Rate × 10% × Remaining Contract Years
April	Enrollment Deadline	Penalty risk begins if aggregator fails to enroll customers by this date	**Average Season Performance Factor must be ≥0.80 (Term-DLM)** or **≥0.90 (Auto-DLM)** when below the PF is equal to the difference of the Event PF and the difference of PF and the PF Factor.
May–Sept	Capability Period	Performance penalties apply based on Event Performance Factors	**Reservation Payment** = Incentive Rate × Portfolio Quantity × Average Season Performance Factor If result < 0 → Aggregator owes payment to Con Edison
Sept 30	Capability Period end	Performance evaluated for Payment adjustments	

Performance Penalties

Program	Event Performance Factor	Adjusted Performance Factor	Result
Term-DLM	0.70	(2×0.70) – 0.80 = 0.60	Reduced score
Auto-DLM	0.70	(2×0.70) – 0.90 = 0.50	Bigger reduction
Term-DLM	0.85	= 0.85	Full credit
Auto-DLM	0.95	= 0.95	Full credit

- Term-DLM penalties begin below 0.80
- Auto-DLM is stricter, penalties begin below 0.90
- Performance below threshold reduces adjusted score
- Negative adjusted factors trigger financial penalties

Performance Evaluation and Payments

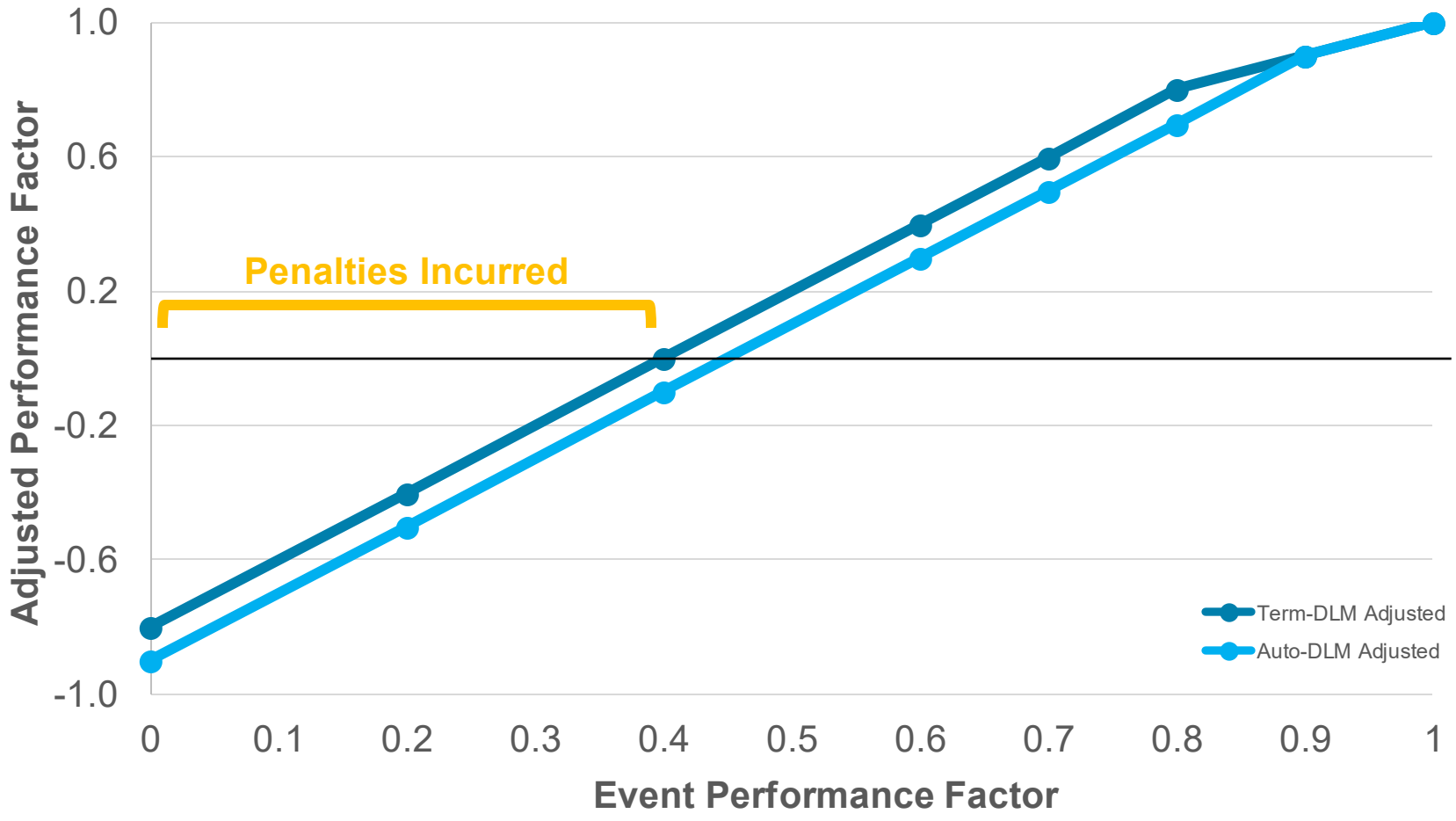
Early Exit Fees

- When Participants accept a contract, each Aggregation has a Cleared Quantity of Load Relief in kW
- Participants may declare a Deficient Quantity in an Aggregation to establish a new Portfolio Quantity for the remainder of the contract term. The notice of a deficient Quantity must be provided prior or on November 1st of the calendar year prior to the Capability Period.

Early Exit Fee = Incentive Rate ($/kW) X Deficient Quantity (kW) X Remaining Contract Length (Years) X 10%

- Payment of the Early Exit Fee is due within 30 days after an invoice is submitted to Applicant.
- Paying an Early Exit Fee does not alleviate previously calculated under-performance penalties
- Participants who earn an Average Season Performance Factor of less than 0 can be:
  - Assessed financial penalties
  - Forced to terminate Aggregations before contract expiration and pay associated Early Exit Fees on those Aggregation
- Early Exit Fees may apply to the entire remaining length of the contract

Event Performance Factor Performance Penalties



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