

## VALUABLE CHP INCENTIVES TO HELP LOWER YOUR UTILITY BILLS

### Why Combined Heat and Power (CHP)?

Con Edison is partnering with NYSERDA and National Grid to reduce electric demand in specific neighborhoods as part of our [Brooklyn Queens Demand Management \(BQDM\) program](#)<sup>1</sup>. We are offering incentives for customers who install CHP systems on or before **May 1, 2020** and make them operationally available for at least three (3) years. With CHP, you can save money on your utility bills, make your building more resilient, and reduce your carbon footprint.

### The deal

Con Edison will match NYSERDA's [CHP Program \(PON 2568\)](#)<sup>2</sup> incentive at the base rate. The maximum combined NYSERDA plus Con Edison incentive is capped at 100% of the project costs. Applicants are eligible for up to \$1,800 per kW, based on system performance during the summer season. The company will need to verify load reduction on weekdays between noon and midnight from May 1 to September 30 in either 2019 or 2020.

### CHP could be a good fit for your building if:

- Your electric bill is \$5,000 a month or more
- Your building is master-metered
- Your building is conditioned through centralized hot and chilled water distribution piping, or uses heat for processing year-round

### Program Rules and Application Requirements

In order to be eligible, applicants must:

- Verify the building is located within the BQDM zone (see next page for eligible neighborhoods)
- Provide notification to Con Ed ([DSM@coned.com](mailto:DSM@coned.com)) once accepted into NYSERDA's CHP Program
- Execute NYSERDA's contract (as per [PON 2568](#))
- Complete and submit Con Edison's BQDM Program Agreement
- Provide security against underperformance within **60 days** of signing the BQDM Program Agreement
- Have CHP system operational on or before **May 1, 2020** to receive the full matching incentive (see FAQ section for more detail)
- Make the system operationally available for at least three (3) years
- Agree to Con Ed's data requirements and performance calculations for CHP systems

<sup>1</sup> Neighborhood Program for Business Customers - <https://www.coned.com/en/save-money/rebates-incentives-tax-credits/rebates-incentives-tax-credits-for-commercial-industrial-buildings-customers/commercial-neighborhood-program>

<sup>2</sup> NYSERDA PON 2568 - <http://www.nyserdera.ny.gov/pon2568>

## Notes

- Projects must use NYSEERDA PON 2568-approved CHP systems and vendors
- Con Edison does not match NYSEERDA's 10 percent bonus incentive for critical infrastructure facilities
- Please refer to the NYSEERDA CHP Program ([PON 2568](#)) for more information

## Con Edison/NYSEERDA Incentive Structure

	NYSEERDA	Con Edison
NYSEERDA application completed, all permits approved, major equipment delivered to the site	33%	
System fully installed	33%	
System fully commissioned and operational (Con Edison deadline of September 30, 2020)	33%	50%*
Critical Infrastructure bonus	+10%	
Performance dependent (weekdays, noon to midnight, May through September)		Up to 50%*

\*See FAQ section below for further information on Con Edison incentive structure

Potential \$1,800/kW incentive received:

Up to 110%

Up to 100% matching

## Eligible Neighborhoods (shown in blue)



To learn more, contact: [DSM@coned.com](mailto:DSM@coned.com)



## Frequently Asked Questions (FAQs)

### 1. How can I determine if a building is in the BQDM zone?

Potential applicants are encouraged to access Con Edison’s [Hosting Capacity](#)<sup>3</sup> site. Once registered, users can view all the Non-Wires Solution networks under “Non-Wires Solutions” tab and input building addresses into the search bar. If a building is located within “Ridgewood”, “Crown Heights”, or either “Richmond Hill” networks, it is likely eligible for the BQDM CHP incentive. For final verification, send the addresses and/or Con Ed electric account numbers of eligible sites to [DSM@coned.com](mailto:DSM@coned.com).

### 2. How do I determine the BQDM CHP matching incentive amount I’m eligible for?

Con Edison will use NYSEERDA’s CHP Program [incentive calculator](#)<sup>4</sup> and the pledged demand reduction from the BQDM Program Agreement to determine the maximum incentive amount. The maximum combined incentive amount (NYSEERDA + Con Edison) is capped at 100% of the project cost.

### 3. How is the BQDM CHP matching incentive paid out?

The Con Edison CHP matching incentive is performance-based. The company will provide 50% of the approved incentive once the system is fully commissioned and operational. Following the designated summer capability period (May 1 through September 30 of either 2019 or 2020), the performance of the system will be verified in accordance with Con Ed’s Measurement and Verification Plan. The second incentive is paid following the summer capability period and is adjusted to account for performance less the first incentive payment. The table below illustrates incentive payments under different performance scenarios.

BQDM Pledged Demand Reduction: 100 kW  
BQDM Maximum Incentive amount (as of July 2018): \$144,000

Performance during Summer Capability Period	1st Incentive payment (50% of Max Incentive Amount)	2nd Incentive payment (adjusted based on performance)	Total Incentive Paid
100%	\$72,000	\$72,000	\$144,000 (100% of max. incentive)
75%	\$72,000	\$36,000	\$108,000 (75% of max incentive)
50% (or less)	\$72,000	\$0	\$72,000 (50% of max incentive)

Note: Verified performance of 50% or less of the pledge demand reduction will not receive a 2<sup>nd</sup> incentive payment.

### 4. Am I eligible for the BQDM CHP incentive if my system is installed on or after October 1st, 2020?

As the program currently stands, those CHP systems that apply for the BQDM matching incentive but are not fully commissioned and operational by September 30, 2020 will not receive a Con Ed CHP incentive payment.

<sup>3</sup> Con Edison’s Hosting Capacity site: <https://www.coned.com/en/business-partners/hosting-capacity>

<sup>4</sup> NYSEERDA PON 2568 Incentive calculator can be found at: <http://www.nyserda.ny.gov/pon2568>

To learn more, contact: [DSM@coned.com](mailto:DSM@coned.com)



**5. How do I determine the data requirements and measurement of system performance?**

Contact [DSM@coned.com](mailto:DSM@coned.com) and ask for data requirements and performance calculations for CHP systems.

**6. How do I provide security against underperformance?**

Security against underperformance is calculated as the lesser of \$150 per load reduction (kW) commitment or thirty percent (30%) of the approved Con Ed incentive payment. Upon completion and execution of the BQDM Program Agreement, security must be provided as either Cash Collateral or Letter of Credit within 60 days. Con Edison will supply additional instructions upon receipt of the agreement.