

Con Edison Non-Wires Solutions

Brooklyn-Queens Demand Management (BQDM)

Prescriptive Energy Storage System Incentive Offering

2023 Participant Guide

INTERNAL

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1. Introduction

Consolidated Edison Company of New York, Inc. (“Con Edison” or “the Company”) is offering incentives to customers and/or developers (“Participants”) for installation of new Battery Energy Storage Systems (“BESS”) within the Brooklyn-Queens Demand Management (“BQDM”) program boundaries through this BQDM Prescriptive Energy Storage Incentive Program (“Program”) that provide building or distribution system load relief during peak demand periods. Eligible BESS must have a rated capacity between 50 kW and 5,000 kW and are expected to participate for a minimum 4-hour consecutive dispatch period over 10 Summer Performance Periods starting no later than May 2026. The Summer Performance Period is defined as May 1 through September 30.

This Program is offering two separate incentive rates: \$2,500/kW for grid-connected and load following systems that require system reinforcements in order to export energy to the distribution system, and \$3,000/kW for load following systems that do not require system reinforcements and are used to reduce building load. This Program is designed to encourage systems that will provide direct benefits to customers through demand charge management and can be expeditiously operational without the need for substantive customer interconnection upgrades. Overall, the Program aims to attract a diverse mix of battery energy storage solutions that benefits both customers and the distribution grid.

2. Program Overview

2.1 BQDM Program Background

The Con Edison Non-Wires Solutions (NWS) team offers incentives for the installation and implementation of distributed energy resources (DERs), such as energy efficiency (EE) and battery energy storage systems (BESS) to reduce electric demand during Summer Performance Periods in targeted areas and defer or eliminate traditional infrastructure upgrades.

The BQDM program offers incentives to customers in Brooklyn and Queens for eligible projects within the locational boundaries. These projects can help improve customer control over their facility and bottom line by reducing energy use and costs, while protecting the environment.

Beginning in 2014, the BQDM program addressed forecasted overloads of the electric sub-transmission feeders serving the Brownsville No.1 and No.2 substations through reducing 52 MWs of peak load, using a combination of non-traditional utility-sided and customer-sided solutions.¹ In 2017, the New York State Public Service Commission approved the Company’s request to extend the BQDM program and continue to deliver benefits to customers beyond 2018.²

The Company has continued to provide incentives for EE and DER projects in this area and is now offering incentives to BESS projects through a Prescriptive Energy Storage System Incentive Program. The Program aims to procure additional peak demand reduction and benefit the distribution system while also supporting the New York State energy storage goals to deploy 6 GW of energy storage by 2030.

¹ Case 14-E-0302, *Petition of Consolidated Edison Company of New York, Inc. for Approval of Brooklyn Queens Demand Management Program*, Order Establishing Brooklyn/Queens Demand Management Program (issued December 12, 2014).

² Case 14-E-0302, *Petition of Consolidated Edison Company of New York, Inc. for Approval of Brooklyn/Queens Demand Management Program*, Petition for Extension of Time to Implement Brooklyn Queens Demand Management Program (filed January 19, 2017).

2.2 Load Relief Need

This Program is soliciting BESS projects to meet a total peak load relief need of 15 MW in the Brownsville No.1 and 2 substation areas of Brooklyn and Queens. Solicited projects are intended to provide load relief on the substations' 138kV sub-transmission feeder until the new Gateway Park substation is operational. The sub-transmission feeder is expected to have a potential overload period of 12 PM – 12 AM with the peak hour occurring between 9 PM and 10 PM.

Con Edison requires the flexibility to dispatch the BESS at different hours throughout the Overload Period based on system needs and will provide 21-hour advance notification of when a BESS is expected to discharge as well as the power output based on system configuration.

2.3 Incentive Program Design

This Program is designed to compensate BESS that provide Con Edison with first-right-of-dispatch during the Summer Performance Period and support the hourly load relief needs in BQDM territory, while also encouraging a distributed network of BESS that provides operational flexibility.

The Program will offer two incentive rates for projects based on the intended use case with 50% of the incentive paid up-front following installation and verification of performance, and 5% paid over each of the 10 Summer Performance Periods based on performance during peak demand days. Additionally, Con Edison is providing an installation bonus incentive of 10% of the installation payment for new BESS that are available to provide load relief by May 1, 2025 or earlier.

Load-Following Systems

BESS that interconnect behind the customer's meter and are sized to offset building load management ("load-following") can provide direct benefits to customers through demand charge reductions, while also leveraging the facilities' existing electrical service. Load following BESS may be limited in their ability to export to the distribution system without significant service upgrades, and therefore unlikely to participate in markets designed to encourage exporting of energy to the distribution grid.

Load-following BESS typically require minimal upgrades to the customer's existing service and distribution system, allowing for shorter interconnection timelines and more expeditious installation and operation when compared to larger exporting or grid-connected BESS. Con Edison is providing a higher incentive rate for load-following at \$3,000/kW to encourage the development of these systems.

Figure 1: Load-Following Energy Storage Configuration

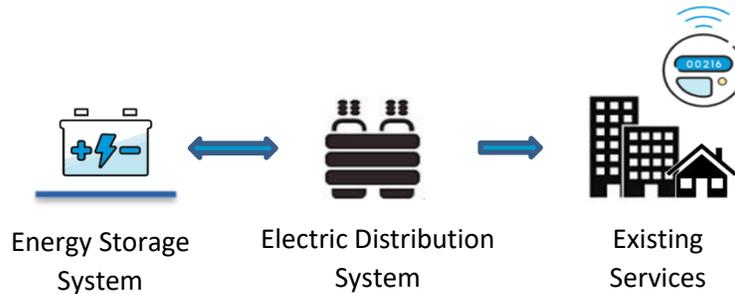


Grid-Connected Systems

BESS that intend to interconnect to the distribution grid to provide load relief are able to receive compensation through New York Independent System Operator (NYISO) wholesale markets. These grid-connected BESS are typically sited in front of the customer’s meter and could warrant significant upgrades to existing electrical service. These system upgrades can include installing additional feeders and/or transformer installations to ensure an ongoing safe and reliable connection to the grid that allows for maximum discharge of the BESS.

Con Edison is providing an incentive of \$2,500/kW for grid-connected BESS with the expectation that BESS will participate in available markets to maximize revenue outside of the Summer Performance Period.

Figure 2: Grid-Connected Energy Storage Configuration



Load-Following with Intention to Export and/or Requiring System Reinforcement

Load-following systems that interconnect behind a customer meter and intend to export frequently to the distribution grid for the purposes of participating in wholesale markets may still require substantive upgrades to customers’ existing service depending on the customer’s hourly demand and size of the storage system.

Con Edison is offering an incentive of \$2,500/kW for load following BESS that require system reinforcements with the expectation that the BESS will participate in available markets and gain additional revenue outside of its obligations to provide distribution load relief and its expected use for the customer.

Table 1 summarizes the two incentive rates offered through this Program for eligible BESS.

Table 1: Incentive Rates

BESS Operation Type	BESS Operation Description	Eligible Incentive Rate*
Grid-Connected and Load-Following Projects that require system reinforcement	BESS is developed and installed with the intention to export electricity onto Con Edison’s distribution system to provide load relief. The installation of BESS requires upgrades to existing service at project site location. Grid- connected projects must enroll the full rated capacity determined at end of life, subject to degradation and any CESIR study restrictions.	\$2,500/kW
Load Following Projects that do not require system reinforcement	BESS is developed and installed with the intention to provide customer/building demand reduction. Installation of BESS does not require system reinforcement or upgrade to existing service at project site location. Load-following projects may enroll full or partial capacity of the BESS, reflective of EOL, based on expected customer site needs.	\$3,000/kW

*Incentive rate assumes installation by May 2026 and is not inclusive of the bonus for installation by May 2025 or earlier.

2.3 Timeline

Con Edison is seeking BESS projects that are installed and available for operation no later than May 1, 2026. The application period for this initial offering will be open through April 30, 2024 or until Con Edison reaches the enrollment capacity for the Program. Applications will be reviewed, evaluated, and accepted on a rolling, first-come first-served basis following a project’s completion of Coordinated Electric System Interconnection Review (“CESIR”) study and successful payment of at least 25% of interconnection costs.

Note that any project that has paid 25% of interconnection costs prior to the program launch date (July 28, 2022) will be ineligible for the program unless the project was not studied at that the local reliability standard of the network in which it was sited. In that instance, the project may submit for a material modification to be studied at the required local reliability standard.

Upon application acceptance, a Preliminary Incentive Offer Letter (PIOL) will be issued specifying project information, such as demand reduction pledge and estimated date of service. The PIOL serves as an allocation of available funding provided that the project continues to meet the PIOL requirements and advance through the interconnection process. Following 100% interconnection payment, successful applications will advance to execution of a Program Agreement (‘Program Agreement’), which will secure available incentives.

3. Eligibility Requirements

3.1 BQDM Targeted Area

Project sites must be located within the eligible BQDM area (see [Appendix](#) for further information). The network area maps may provide an indicator of eligible customer locations; however, Con Edison must verify customer eligibility for existing service using electric account numbers. A project also must be sited at the facility of a Con Edison customer in good standing. To verify customer eligibility, contact DSM@coned.com. Con Edison will make all final determinations regarding eligibility and verification is required prior to application acceptance.

3.2 Qualifying Technologies

Qualifying technologies are limited to BESS approved for use in New York City by all relevant authorities having jurisdiction (AHJs) (see [Appendix](#) for resources). BESS eligible to enroll in this Program must have a rated capacity between 50 and 5,000 kW. Aggregations (i.e., aggregations of Projects that act as a collective to meet the rated capacity requirements) are not permitted.

Grid-connected and load following projects that intend to export to the grid will be expected to enroll the maximum 4-hour dispatch capacity as determined by the CESIR reflected at end-of-life (EOL) for dispatch under this Program. Grid-connected projects must enroll the full rated capacity determined at end of life, subject to degradation and any CESIR study restrictions. Load-following projects may enroll full or partial capacity of the BESS, reflective of EOL, based on expected customer site needs. Additional documentation may be requested to verify enrolled capacity into the Program.

3.3 Demand Reduction Requirement

A project is expected to provide a load relief commitment for 10 consecutive summers. A project must be capable of providing customer or site demand reduction in the amount specified in the Program Agreement for a minimum of four (4) consecutive hours when called upon. Dispatch of the BESS must result in site load reduction as measured at the Con Edison meter.

Notification of an event (“NWS Event Day”) will be made by Con Edison at least twenty-one hours (21) prior to an event. The Company may require Participants to dispatch at a power output lower than the 4-hour demand reduction commitment or for a longer duration depending on distribution system needs. For example, a 1 MW / 4 MWh battery may be called to dispatch at 0.5 MW for 8 MWh hours.

3.4 Operational Availability

Participants must provide first-right-of-dispatch during the Summer Performance Period (defined as May 1st-September 30th) when Con Edison provides advanced notification of at least twenty-one (21) hours ahead of an NWS Event Day. In the notification, Con Edison will define the demand reduction start time, kW amount (if different than the 4-hour commitment), and duration of demand reduction based on a Participant’s commitment in the Program Agreement.

All projects must be installed and operational by May 1 of the first Summer Performance Period set in the Program Agreement. To be considered operational, Participants must have all necessary permits and approvals, including Con Edison’s Permission to Operate (“PTO”), and also prove performance in one of two NWS test events by delivering at least 90% of pledged demand reduction prior to participating in the Program and receiving any incentive payments. If a project is unable to meet the expected operational date or does not provide proof of performance, the project will be unable to receive the full incentive amount. See [Incentive Payment](#) section for additional scenarios that may lead to a loss of incentive payment.

3.5 Interconnection Design Requirement

To ensure BESS are operationally available on peak load days when potential network contingencies may also occur, Con Edison is requiring all BESS to meet certain interconnection reliability design standards based on the site location. Applicants looking to participate in this Program will need to adhere to the Non-Wires Solutions interconnection requirements set forth within the CESIR study results and choose the option that meets the local reliability requirement. Projects that do not interconnect at the required local reliability of the network will be ineligible for any incentive under this Program.

4. Program Requirements

4.1 NWS BESS Operational Period

Applicants are expected to operate the BESS to provide demand reduction on NWS Event Days according to Program needs during the Summer Performance Period for ten (10) consecutive summers following installation. After this operational period, the Participant is released from contractual obligations and may participate in other available Con Edison Programs, such as Demand Response.

4.2 Incentive Payment

Participants with an executed Program Agreement will be eligible to receive 50% of the eligible incentive (“Installation Payment”) after the project has received PTO by Con Edison and has proven performance prior to the first Summer Performance Period (May 1 – September 30th). Successful proof of performance is defined as operating at or above 90% of the 4-hour demand reduction commitment during one of two test events prior to the Summer Performance Period. Projects that meet these requirements prior to the 2025 Summer Performance Period or earlier will be eligible for an additional bonus incentive of 10% applied to the Installation Payment.

Projects that are unable to perform in either of the two test events during their first Summer Performance Period but become operational later in the summer will be required to participate in [Con Edison’s Commercial System Relief Program voluntary \(CSRP voluntary\)](#) for that summer. The Project may then be eligible for the Installation Payment prior to year-end provided that the Participant performs at a 90% performance factor per event in all eligible CSRP voluntary events that summer. The project will not receive the Performance Payment for their missed first Summer Performance Period in this instance. If a project is not operational during the planned first Summer Performance Period and cannot participate in CSRP voluntary, the project will have the opportunity to meet these requirements prior to the next available Performance Period. Projects unable to demonstrate proof of performance by May 2026 will be cancelled.

The maximum sum of Performance Payments will be equal to 50% of the total eligible incentive, with 5% paid annually starting with the first Summer Performance Period and for up to 10 summers total. The Performance Payments are based on the performance of the BESS on NWS Event Days called during the Summer Performance Period, less any deductions assessed from charging on restricted charging days. See [Incentive Payments](#) and [Payment Schedules](#) in Appendix for further details on incentive payment mechanisms.

4.3 Con Edison Programs and Market Revenues

4.3.1 Con Edison Programs: BESS are required to be fully available to Con Edison during all prescribed hours of the Summer Performance Period for the critical purposes of network peak load reduction. Accordingly, customer accounts with an active Program Agreement are not eligible to participate in other Con Edison incentive programs that may conflict with the ability for the resources to respond when called upon. This limitation includes Demand Response programs including [CSRP](#), [Distribution Load Relief Program \(DLRP\)](#), as well as the [Term- and Auto-Dynamic Load Management \(DLM\) Programs](#). Participants must prioritize operation of the BESS for Non-Wires operation over other arrangements, unless required to participate in Con Edison's CSRP voluntary as stipulated above.

4.3.2 Market Revenues: Market revenues are defined as anticipated income from operating the BESS outside of the project's obligations in the Program Agreement. Participants are encouraged to maximize current and future revenue streams through demand charge savings for customer host-sites and/or providing distribution services to applicable markets. This includes revenue streams from [wholesale market participation \(i.e. NYISO\)](#). There is no revenue sharing for BESS projects that participate in markets outside of this Program's contractual obligations.

4.4 Interconnection, Siting, and Permitting

New York City and State: Participant must interconnect in compliance with the requirements and terms and conditions set forth in the [New York State Standardized Interconnection Review](#). Projects must follow the codes, standards, and requirements set forth by all AHJs including New York State Standard Interconnection Requirements, New York City or local municipalities, the Department of Buildings, Department of City Planning, the Fire Department of New York, and any other relevant agency that oversees the proper zoning, permitting, construction, and operation process of BESS. See [Appendix](#) for additional information and resources.

Con Edison: Participant must follow Con Edison requirements and specifications as stipulated in the [Electric Blue Book](#) and applicable [forms and documentation for Private Generation Interconnection](#). See [Appendix](#) for additional information and resources.

4.5 Metering and Data Requirements

4.5.1 Metering Requirements: For the purposes of determining performance of the BESS and measuring demand reduction, Con Edison will require participating customer accounts to maintain a Con Edison AMI meter. Additionally, each Participant must provide real-time access to 15-minute interval data throughout the Summer Performance Period to validate that demand reduction is a result of BESS performance. Projects must be compatible with Con Edison's Supervisory Control and Data Acquisition (SCADA) system. Projects must follow all requirements as stipulated in the latest Performance Verification Plan.

4.5.2 Data Requirements: Participant must execute a [Data Service Agreement \(DSA\)](#) with Con Edison and enroll the account in Demand Response Management System (DRMS) to monitor the performance of the BESS via meter data. Participant must comply with all Con Edison information technology and cyber security requirements.

5. Application Process

5.1 Program Application

5.1.1 Interconnection Application: Participants interested in this Program must first complete a formal interconnection application for the project through the [Power Clerk web portal](#). Coordination of the interconnection

application will occur through the normal interconnection process between the Participant and a Con Edison designated Customer Project Manager (CPM).

5.1.2 NWS Application: After the Power Clerk application is accepted, the Participant must complete a CESIR study and pay at least 25% of interconnection upgrades indicated in the CESIR study prior to applying to this Program.

5.1.3 Application Deadline: The application period for this initial offering will be open through April 30, 2024 or until Con Edison reaches the enrollment capacity for the Program. Additional updates on enrollment capacity are available on the [Program website](#). Applications will be accepted and evaluated on a first come, first served basis until the Program enrollment capacity is met.

5.1.4 Application Limitations: Each NWS application must consist of a single project with distinct MC # associated with the project's interconnection application in Power Clerk. Participants may submit applications for each distinct and eligible BESS project; however, no individual Participant will receive a commitment of funding for more than 5 MW of load reduction.

5.2 Application Submittal Instructions

The NWS Application period will terminate on April 30, 2024, or when Con Edison reaches the enrollment capacity for the Program. Con Edison reserves the right to increase the enrollment capacity or extend the application period, based on system needs. Applicants who fail to complete and submit applications by the application deadline will be ineligible for incentives under the Program.

1. Download and complete NWS Application, available on the [Program website](#), including all supporting documentation.
2. Submit complete applications to DSM@coned.com. Only complete applications will be considered. Incomplete applications, or applications with details not matching Power Clerk will be rejected and Participants will be required to resubmit and risk losing their corresponding position for receiving the PIOL. Ineligible projects, such as those projects not in the eligible territory, will be rejected and the project returned to the normal interconnection process. All Participants are strongly encouraged to verify project eligibility via DSM@coned.com prior to a Power Clerk application and making any interconnection-related upgrade payments.

5.3 Application Response Format

A complete Application Package should be submitted as either a Microsoft Word or PDF document and include:

- 1) Complete and signed NWS Application.
- 2) Project details including narrative, project location, and project schedule including key milestones, technology description, intended battery supplier, intended inverter type/size, and customer building consumption. Project details are limited to 5 pages.
- 3) Itemized anticipated project cost estimate including installed costs, expected revenue streams, and operations and maintenance expenses.
- 4) Professional background and experience with the proposed battery system, interconnection of battery energy storage, and interconnection in New York City.

5.4 Application Evaluation

Con Edison will review completed incentive applications on a first-come, first-serve basis. Con Edison may request additional materials to verify eligibility, as necessary.

6. Application Acceptance

For a visual representation of the process flow documented below, refer to the flow chart in the Interconnection Guide for Non-Wires Solutions Kit available on the [Program website](#).

6.1 Preliminary Incentive Offer Letter (PIOL)

Accepted Participants will receive a PIOL that will act as an allocation of funding from Con Edison to the BESS project for the total anticipated incentives contingent the PIOL requirements inclusive of the project moving forward with full interconnection payment. The total eligible incentive will be based on project capacity at the time of application. In addition to the total incentives dedicated to the project, the PIOL will indicate expected first Summer Performance Period and total guaranteed demand reduction commitment. A separate PIOL will be provided for each project. Incentives indicated in the PIOL are not secured until the Participant executes a Program Agreement.

Project approval decisions will be communicated within 10 business days of complete application receipt. Participants are expected to sign and return the PIOL as soon as possible in order for Con Edison to allocate funding for the BESS. If the PIOL is not signed following 10 business days, the Participant must reapply for the Program.

The Company reserves the right to withdraw the PIOL following issuance if the Participant does not move through the interconnection process in a timely manner, including if any remaining interconnection upgrade payments are not completed within the required timeline stipulated in the interconnection process, if the project scope is significantly changed in a way that impacts the delivery timeline, or if the Participant does not provide regular updates to the NWS team on project status. Any additional conditions for withdrawal will be stipulated in the PIOL.

Accepted Participants will be designated a member of the Con Edison NWS team to work alongside the Customer Project Manager (“CPM”), as initially designated during the interconnection project, to support the project. The CPM will remain the main point of contact for items related to interconnection, while the NWS contact will provide information on Program requirements and support necessary goals to achieve the incentive. Refer to the Interconnection Guide for Non-Wires Solutions available on the [Program website](#) for further information on designated points of contact within the company.

6.2 Program Agreement

To receive a Program Agreement and secure incentive funding, the Participant must meet the conditions within the PIOL including meeting all interconnection milestones, providing site control documentation, and demonstrating that the project is on track to meet the expected first Summer Performance Period. Projects that successfully meet these conditions and provide the information below will receive a Program Agreement for completion and execution.

- 1) Proof of 100% interconnection payment
- 2) Proof of site control including any of the following documents, as applicable:

- Signed option agreement to lease or purchase the Property
- Executed lease agreement for the Property
- Executed agreement to purchase the Property
- License or other agreement granting exclusive right to use the Property for purposes of constructing and operating the distributed generation facility
- Any other documentation to support Participant has rights to the Property

4) Any additional documentation requested by Con Edison to validate the demand reduction capacity enrolled and support the operational date stated in the PIOL.

If the site location has changed between the PIOL and Program Agreement execution stages, Participant must submit a new NWS Application for those projects and the previous PIOL will be invalidated. Con Edison reserves the right to make reasonable and necessary changes to the Program Agreement prior to execution with any Participant.

6.3 Installation Verification

Participant must submit or provide proof of installation prior to the operational date stated in the Program Agreement, including:

- 1) Proof that project is operational and has received PTO or other documentation from the Company indicating that project can operate as intended;
- 2) Submission of Fire Department Certificate of Approval (COA), Letter of No Objection (LONO), or other governing operating rules;
- 3) Submission of Department of Buildings Conditional Acceptance Letter, or conditional electrical permits

6.4 Proof of Performance

The Company will verify installation and operation of BESS through performance of at least 90% in one of two test events at the beginning of the first Summer Performance Period. Con Edison will validate proof of performance in accordance with the Performance Verification Plan available on the [Program website](#). Participants that pass the test event will be able to participate in the Summer Performance Period and be eligible for incentive payments.

Test event number 1 is expected to be held in early May for the first Summer Performance Period. If the Participant does not pass test event number 1 with at least a 90% performance factor, they are eligible to participate in test event number 2, expected to be held later in the month of May.

If the Participant does not meet the 90% threshold in either one of the test events during the first Summer Performance Period, and becomes operational later in the Summer Performance Period, then Participant is instead required to participate in [CSR voluntary](#) and respond to all associated CSR events for that summer period in order to receive the Installation Payment by the end of the first Summer Performance period. In this instance, Participants will

also forego the first Summer Performance Payment and instead will be able to receive revenue from CSRP voluntary participation.

The Installation Payment will be withheld until 1) the BESS performs at an average of 90% through participation in CSRP voluntary or 2) the BESS performs at 90% in the following May's test events. If Participant cannot meet operational requirements and demonstrate 90% performance during test events prior to May 31, 2026, then the NWS Agreement will be cancelled, and Participant will no longer be eligible to receive incentives through the Program.

7. Incentive Payments

Projects will receive two types of payments: one Installation Payment upon proof of performance for the first Summer Performance Period (50% of total incentive), and ten Performance Payments over the Summer Performance Periods (up to 5% of the total incentive per summer). For additional details on incentive payments, refer to the [Payment Schedules](#) and the Program Agreement. Any deductions will be assessed following each Summer Performance Period. The deductions that may apply, and all associated details, will be indicated in the Program Agreement. For additional information on performance calculations, see the Performance Verification Plan.

7.1. Conditions for Installation Payment

Projects must be installed and operationally available for discharge by May 1 of the first Summer Performance Period (May 1 – September 30th) noted in the Program Agreement to receive the Installation Payment (50% of the total incentive). Projects that are installed and operationally available by May 1, 2025 or earlier, and meet the performance requirements, will receive a bonus of 10% on the Installation Payment.

Project must perform at least 90% of the contracted demand reduction on at least one of two test event days in May of the first Summer Performance Period. Projects must provide demand reduction in the amount specified in the Program Agreement for a minimum of four (4) consecutive hours when called upon via notification of a test event at least twenty-one hours prior to dispatch.

If the Participant does not meet the eligibility for Performance Payments in a Summer Performance Period through test events, and becomes operational later in the Summer Performance Period, the Participant is required to enroll and participate in [CSRP voluntary](#) for that Summer Performance Period. Projects that meet the performance requirements (90% average performance) for CSRP voluntary will receive the Installation Payment.

If Participant cannot demonstrate sufficient performance through test events in the first Summer Performance Period noted in the Program Agreement, provided that the first Summer Performance Period is May 2025 or earlier, the project will be able to prove performance at the next summer's test events. The Project will receive the Installation Payment after that summer contingent upon meeting performance requirements but will not receive a Performance Payment for the missed performance period (i.e., the total available incentive for performance will decline from 50% to 45% of the total incentive).

Projects that are not installed and operationally available by May 1, 2026 will result in the cancellation of the associated Program Agreement and will no longer be eligible to receive incentive payments under this Program.

7.2 Conditions for Performance Payment

Projects must provide demand reduction in the amount specified in the Program Agreement for a minimum of four (4) consecutive hours when called upon via notification of an NWS Event at least twenty-one hours prior to dispatch. NWS Events may be called at any time during the Summer Performance Period. Projects must meet these conditions to receive up to 5% of the total incentive per year.

Performance Payment for the Summer Performance Period will be calculated based on the performance at all events over the season, as well as on restricted charging days. Deductions can also be made based on charging during event days and restricted charging days (see Program Agreement for further information). It is expected that Projects will perform at a 90% performance factor in all NWS events throughout the Summer Performance Period. Payments will be based on the Final Season Performance Factor, which will be calculated per the Performance Verification Plan.

Appendix

1. Codes, Regulations, and Standards

In addition to the requirements stated within the body of the Program guide, Participants must comply with local agencies and Con Edison codes & standards for the design of the BESS and interconnection, including but not limited to the following:

- [New York State Standardized Interconnection Requirements \(NYSIR\)](#)
- [Con Edison Interconnection Specifications \(CESIR\)](#)
- [National Electric Safety Code \(NESC\)](#)
- [National Electric Code \(NEC\)](#)
- [Occupational Safety and Health Act \(OSHA\)](#)
- [American Society of Heating, Refrigeration and Air Conditioning Engineers \(ASHRAE\)](#)
- [American National Standards Institute \(ANSI\)](#)
- [American Society for Testing and Materials \(ASTM\)](#)
- [American Welding Society \(AWS\)](#)
- [National Fire Protection Association \(NFPA\)](#)
- [New York Fire Department \(FDNY\)](#)
- [New York Building Department \(DOB\)](#)
- [Institute of Electrical Engineers IEEE Std. 1547](#)

2. References

Review the [New York State Standardized Interconnection Requirements \(SIR\)](#) for information needed to complete your application. For easy, step-by-step instructions, follow the [simplified process flow chart \(PDF\)](#). Refer to the Interconnection Guide for Non-Wires Solutions Kit available on the [Program website](#) for NWS specific interconnection information.

Visit Con Edison's [Applying for Private Generation Interconnection](#) to find application forms for the interconnection process and a recent Developer Workshop Presentation.

Con Edison's [Guides and Specifications for Private Generation](#) site contains additional information for Respondents considering installing energy storage and distributed generation.

[Private Generation Tariffs](#) contains additional information on the Value of Distributed Energy Resources (VDER) and applicable rates.

[Hosting Capacity Maps](#) provide insight to identify potential sites.

Review Fire Department of New York (FDNY) [TM-1 Permitting and TM-2 Permitting](#), National Fire Protection Association (NFPA) [855](#) outlining the standard for the installation of stationary energy storage systems, City of New York Department of Buildings (DOB) [OTCR Battery Application Checklist](#), and NYSERDA [Lithium-ion Energy Storage Systems Permitting Guide](#).

3. Glossary of Terms

Adjusted Performance Factor: An Adjusted Performance Factor is calculated for each Event using the Event Performance Factor as described within this participant guide.

Aggregation: A grouping of individual customers that acts as a unit in program participation.

Applicant: An individual and/or entity applying to this Program.

Authority Having Jurisdiction (AHJ): An organization, office, or individual responsible for enforcing the requirements of a code or standard.

Auto-DLM Program: Program to provide load relief for contingency activated to prevent or mitigate critical situations on the electric grid or for peak shaving purposes.

Baseline Verification Methodology: Performance will be evaluated by measuring how much Load Relief a Project provides compared to how much was committed. The Baseline Verification Methodology will be used by the Company to verify the actual Load Relief provided (measured in kW and kWh) during each hour of each designated performance period and during the test event.

Battery Energy Storage System (BESS): Battery energy storage systems are rechargeable batteries that allow energy to be stored with controlled dispatch when necessary.

Behind-the-Meter (BTM): A resource positioned on the energy user's side of the meter.

Brooklyn Queens Demand Management (BQDM): A non-wires solution portfolio of energy efficiency and DERs implemented in certain networks in the Brooklyn Queens area.

Capacity (kWh): The amount of energy capable of being discharged from the battery.

Commercial System Relief Program (CSRP): 21-hour notification demand response program.

Customer: An individual Con Edison electricity account holder. All performance is calculated at an account level rather than at the meter level.

Customer Project Manager: A Con Edison representative designated after submission of project to Power Clerk to act as liaison between the customer and the Company throughout the interconnection process.

Customer Baseline Load (CBL): The Customer Baseline Load as calculated under the Company's Customer Baseline Load methodology using the baseline options listed in the methodology.

Demand Reduction (kW): Estimated maximum peak load reduction realized during On-Peak Hours.

Demand Response Management System (DRMS): System used to administer demand response and non-wires programs.

Distributed Energy Resource (DER): Energy efficiency, demand response, distributed generation, or other resources that provide load relief for the identified area of need.

Distribution Load Relief Program (DLRP): 2-hour notification demand response program.

Dispatch Period: The period during which a project is expected to dispatch power and provide demand reduction.

Energy Efficiency: Energy efficiency means using less energy for services or functions. This can be accomplished in a variety of ways, including through technology such as efficient lightbulbs which use less energy than conventional light bulbs.

Exporting: A resource that may backfeed to the distribution system.

Front-of-the-Meter (FTM): A resource positioned on the grid side of the meter.

Incentive Rate: The awarded Bid price per kW of Peak Demand Reduction.

Installation Payment: Payment provided upon confirmation that a project is installed and operational by operational deadline of first Summer Performance Period.

Interval Meter: An electric meter capable of measuring electric usage in intervals of 60 minutes or less.

Load relief: Refers to power (kW) and energy (kWh) ordinarily supplied by the Company that is displaced by use of Electric Generating Equipment and/or reduced by energy efficiency.

NWS Application: Refers to the specific application to this Prescriptive Energy Storage Incentive Program.

Program Agreement: Refers to the specific terms and conditions that apply to Applicants based on signed Program Agreements.

Off-Peak Hours: All hours not considered On-Peak Hours.

On-Peak Hours (also referred to as Peak Demand Period): Hours when the NWS network is expected to exceed its capability. On-Peak Hours occur between May 1 and September 30, and between the hours identified in this document. BESS technologies operating as part of an NWS are prohibited from charging during On-Peak Hours during the summer period.

Operational Date: Date by which project must be installed and operational for discharge during first Summer Performance Period.

Participant: Customer, developer, or other third-party acting on the customer's behalf.

Performance Payment: Payments made to Applicants based on the amount of load relief provided during an event.

Preliminary Offer Letter (POL): A letter provided to the Participant following NWS Application submittal, and acceptance into Power Clerk and NWS application approval with commitment of incentive funds provided terms and conditions are met by applicant.

Project: Installation, implementation and operation of any BESS equipment and software to provide peak demand reduction

Network: Refers to an electric distribution network or load area designated by the Company.

Non-exporting: A resource that will only supply on-site load.

Non-Wires Solutions (NWS): A portfolio of projects used to defer or replace a traditional transmission or distribution solution.

NWS Event Day: An event during which a project may be called on to provide demand reduction. NWS Event Days may be called at any time during the Summer Performance Period with requisite notice.

Scope of Work: Detailed narrative for each Project describing the work that is to be carried out to provide Peak Demand Reduction, broken out in deliverables and deadlines.

Standard Interconnection Requirements (SIR): Codes and standard for connecting a resource to the electrical grid in New York State.

Summer Performance Period: The period during which the project must be available for discharge, defined as the five-month period from May 1st through September 30th each year.

Supervisory Control and Data Acquisition (SCADA): A system utilized to collect, monitor, and analyze data from grid resources in real time.

Term-Dynamic Load Management (DLM) Program: Program to provide Network peak shaving during Contracted Hours when the day-ahead system electric load forecast reaches at least 88 percent of its forecasted summer system peak.

Test Event: Refers to the Company's request under the Program for Participants to provide load relief in order to test Participants' response to a request for Load Relief.

5. Supplemental Information on BQDM Network

The map below denotes the boundaries of the BQDM network. Respondents are encouraged to view the network maps through the Company's [Hosting Capacity](#) website under the "Non-Wires Solutions" tab. Respondents can search via address to assist in determining customer eligibility. Final verification of customer eligibility resides with Con Edison.



Eligible BQDM neighborhoods include parts of:

Brooklyn: Bedford-Stuyvesant, Brownsville, Bushwick, Crown Heights, Cypress Hills, East Flatbush, East New York, East Williamsburg.

Queens: Broad Channel, Howard Beach, Kew Gardens, Ozone Park, Richmond Hill, South Ozone Park and Woodhaven.

6. Payment Schedules

The payment schedule scenarios shown are illustrative of the impact of a Project schedule on the Installation and Performance Payments. Note that scenario payment schedules do not show full number of future eligible performance periods.

Scenario 1: First Summer Performance Period is pledged as **2025** in NWS Energy Storage Program Agreement and project **completed** an NWS test event in May 2025.

	2025	2026	2027
Completed May NWS test event	Yes	N/A	N/A
Proved performance post 6/1	N/A	N/A	N/A
Installation Payment Eligibility	Eligible - 10% bonus applied	N/A	N/A
Performance Payment Eligibility	Eligible	Eligible	Eligible

Scenario 2: First Summer Performance Period is pledged as **2025** in Program Agreement and project **did not complete** an NWS test event in May 2025, project **enrolled in CSRP** in summer 2025 and performed adequately as identified in [Section 4.2](#).

	2025	2026	2027
Completed May NWS test event	No	N/A	N/A
Proved performance post 6/1*	Yes	N/A	N/A
Installation Payment Eligibility	Eligible - 10% bonus applied	N/A	N/A
Performance Payment Eligibility	Not Eligible**	Eligible	Eligible

*Through adequate performance in CSRP participation

**Lost period included in total number of contracted performance periods – 9 potential Performance Payments remain

Scenario 3: First Summer Performance Period is pledged as **2025** in Program Agreement and project **did not complete** an NWS test event in May 2025 and **did not enroll in CSRP** in summer 2025.

	2025	2026	2027
Completed May NWS test event	No	Yes	N/A
Proved performance post 6/1	No	N/A	N/A
Installation Payment Eligibility	Not Eligible	Eligible	N/A
Performance Payment Eligibility	Not Eligible*	Eligible	Eligible

*Lost period included in total number of contracted performance periods – 9 potential Performance Payments remain

Scenario 4: First Summer Performance Period is pledged as **2026** in Program Agreement and project **has completed** an NWS test event in May 2026.

	2025	2026	2027
Completed May NWS test event	N/A	Yes	N/A
Proved performance post 6/1	N/A	N/A	N/A
Installation Payment Eligibility	N/A	Eligible	N/A
Performance Payment Eligibility	N/A	Eligible	Eligible

Scenario 5: First Summer Performance Period is pledged as **2026** in Program Agreement and project **has not completed** an NWS test event in May of 2026.

	2025	2026	2027
Completed May NWS test event*	N/A	No	N/A
Installation Payment Eligibility	N/A	Not Eligible**	N/A
Performance Payment Eligibility	N/A	Not Eligible**	N/A

**Project does not have opportunity to participate in CSRP and continue NWS contract if 2026 test events are missed*

***NWS contract terminated*

8. Contact Information

For any inquiries related to this Program, please email DSM@coned.com with the subject “BQDM ESS Prescriptive Program”.