

Monsey Non-Wires Alternative Pre-Bid Conference

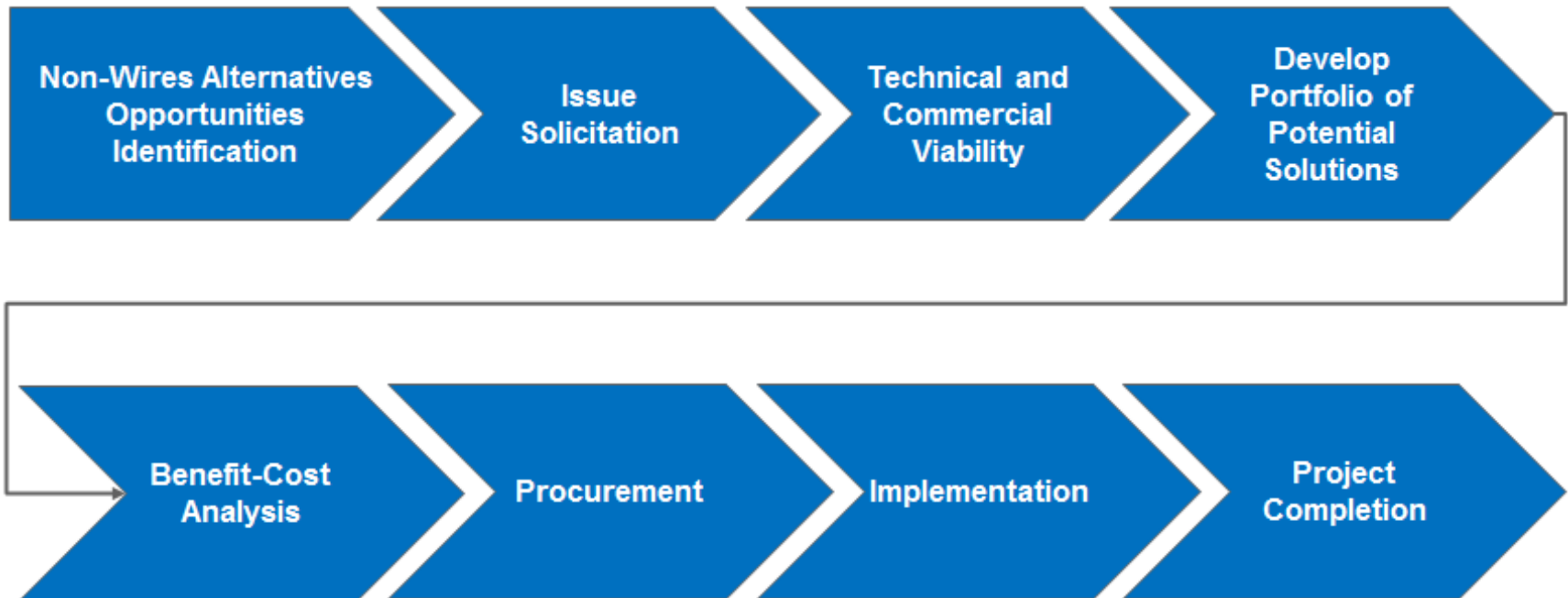
August 31, 2017

Overview and Purpose

- Through this webinar O&R intends to:
 - Describe the O&R Non-Wires Alternatives (NWA) process
 - Provide an overview of the Monsey NWA RFP
 - Review RFP requirements
 - Discuss evaluation criteria and process
- This webinar is not intended to:
 - Answer specific questions about the RFP or process
 - Discuss specifics of the need

O&R's NWA Process

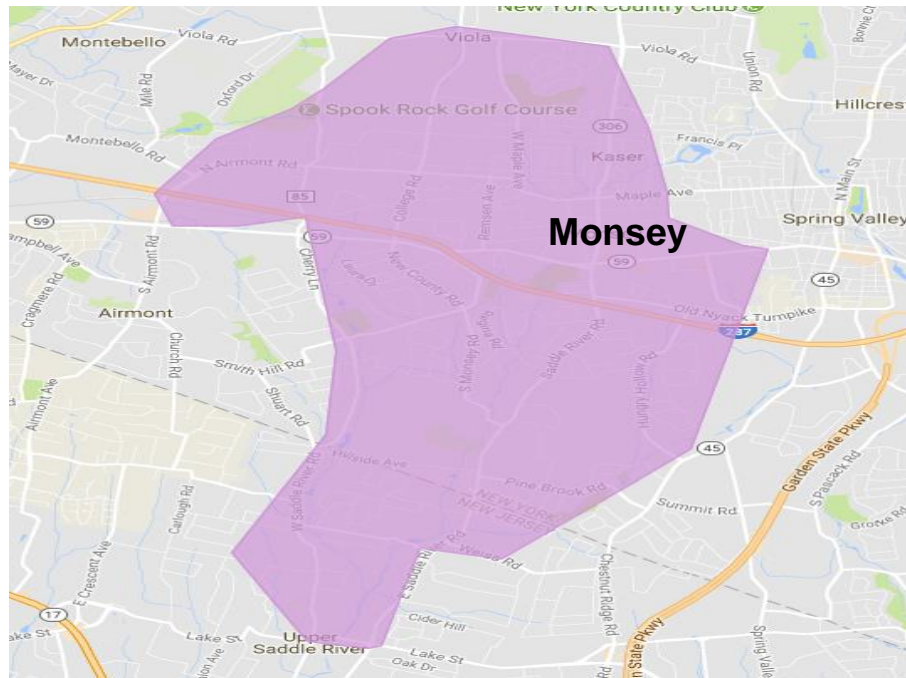
- The process shown below is an example of the high-level steps that occur during the identification of NWA solutions, as well as the evaluation, implementation, and verification of the identified solutions



Monsey NWA Overview (Cont'd)

Monsey Area

- The Monsey Substation (#44) is located in the hamlet of Monsey in the town of Ramapo in Rockland County.
- The area is experiencing increasing demand which has led to highly loaded circuits and substation transformer banks.



Monsey NWA Overview

Objective

- O&R is proposing to implement a NWA program in order to defer capital infrastructure investments required to upgrade the Monsey Substation.

The traditional wires solution that O&R is seeking to defer includes:

- Replace two existing 25MVA transformers with two 40MVA transformers, bus upgrade and the addition of two distribution circuits by 2022.

The NWA seeks to achieve the following two distinct goals:

- For bank contingency purposes, reduce peak electric load within the area served by the Monsey Substation and Banks 144 and 244; and
- For single distribution circuit contingency purposes, reduce peak electric load on Monsey distribution circuits 44-2-13, 44-3-13, 44-6-13 and associated distribution circuit ties.
- **DER resources placed in areas that serve both purposes will be given priority**

Load Profile

- The Monsey Substation presently serves approximately 9,100 customers*, the majority of which are residential while the remaining customers are commercial and industrial (“C&I”).
- Growth rates are detailed in the RFP

Customer Breakdown by Bank and Circuit

Monsey Bank	Distribution Circuit	Customers		
		Residential	C & I	Total
Bank 144	44-1-13	1,217	274	1,491
	44-2-13	1,268	293	1,561
	44-3-13	1,911	157	2,068
Bank 244	44-4-13	1,532	170	1,702
	44-5-13	684	32	716
	44-6-13	1,494	104	1,598

*As of July 6, 2017

Potential Solutions

The RFP is focused on NWA's that will reduce peak demand within the Monsey area.

- Alternatives may include, but are not limited to the following DER:
 - Energy efficiency (“EE”)
 - Demand response (“DR”)
 - Clean (i.e., gas fired and solar) distributed generation (“DG”)
 - Energy storage (“ES”)
 - Other technologies
 - Any combination or portfolio of technologies
- The company will leverage its existing DR programs to lower the amount of DER that needs to be procured.
 - The company may entertain proposed DR solutions that have the potential to enhance its existing programs.

Respondents are encouraged to submit alternative, creative proposals for marketing, sales, financing, implementation, and maintenance, or transaction structures and pricing formulas that will achieve the demand reductions sought and maximize value to O&R's customers

Proposal Requirements

Responses should include but not be limited to:

- **Full Completion of attached Questionnaire**
 - Excel spreadsheet - four tabs (Summary, Energy, Financials and Additional Criteria)
- Compliance with technical, safety and operational requirements for interconnection and operation.
- Verification that stated demand reduction coincides with the Company's peak loading period.
- Financial assurances that the committed amount of demand reduction measures will be installed and the committed in-service date for each measure will be met.
- Data and methodology used to determine the estimated demand reduction, annual kWh savings attributable to each measure/solution proposed to be installed, and methods/proposals to confirm measurement and verification of delivered demand reductions.

Proposal Requirements (Cont'd)

- Respondents may also include proposals that require deployment on utility property or models involving utility ownership.
- Information on elements of the proposal that affect the community (both positively and negatively).
- Preference will be given to Respondents which have pre-existing customer agreements to deploy the solution.
- The Company is interested in proposals which will take advantage of funding available from other funding streams.
 - In order to mitigate the cost impact on the Company's customers it will be important to maximize the use of existing municipal, State and Federal funding opportunities.
 - The ability to unleash private sector funding should also be identified.
- For Customer sided solutions:
 - Illustration of the marketing/sales strategies to be employed to capture selected market/customer segment and to deliver the demand reductions proposed.

Evaluation Criteria

Evaluation criteria will include but not limited to:

- Proposal content
- Viability / Functionality
- Environmental impact
- Unit Cost
- Benefit-cost analysis (“BCA”) – (O&R’s BCA Handbook)
- Timeliness
- Price and reliability
- Respondent Qualifications
- Applicability to REV
- Execution risk
- Community impact

RFP Schedule

The expected schedule* to be followed during this solicitation is below:

RFP Solicitation Milestones	Completion Date*
RFP Issued	August 23, 2017
Pre-bid conference call (see details below)	August 31, 2017, 1pm EDT
Deadline to submit clarification Questions (Email to Mike Heaton, heatonm@coned.com)	September 5, 2017
Responses to Clarification Questions Due	September 19, 2017
Deadline to become enabled in O&R/Con Edison Procurement System	September 29, 2017
Qualified Respondents Proposals Due	October 24, 2017, 3PM EDT

*O&R reserves the right to change any of the above dates.

Clarification Questions

- In order to ensure equal access to RFP information, O&R will accept, answer and respond to vendor questions according the following process:
 - The period for clarification questions will be from the date of RFP release (August 23, 2017) through midnight of September 5, 2017.
 - During the clarification period, Respondents should direct clarification questions via email to Michael Heaton, heatonm@coned.com, of O&R's/Con Edison's Supply Chain Department.
 - The deadline for submitting clarification questions is midnight on September 5, 2017.
 - O&R will have no obligation to evaluate late submissions, nor be responsible in any way for any consequences associated with late submissions
 - All questions and answers deemed essential for the viable submission of a bid response will be publicly posted at <https://www.oru.com/en/business-partners/non-wires-alternatives>.
 - Respondent's identities will be kept confidential.

Proposal Response and Submittal Process

The following process should be used to submit proposals:

- All proposals must be submitted through the Oracle RFQ System on or prior to the due date and time.
- Respondents who fail to submit by the due date and time will be unable to submit their proposals.
- Respondents are encouraged to upload their proposals well in advance of the closing time to avoid any potential issues that may occur

Proposal Response and Submittal Process

Respondent's actions to ensure acceptance of a proposal submission:

1. Download the Monsey Non-Wires Alternative RFP and Non-Wires Alternative Questionnaire (via O&R's website) , and Supplier Enablement Template (by emailing Mike Heaton).
2. Become enabled in the Oracle RFQ System* by submitting the below items to Michael Heaton at heatonm@coned.com
 - W-9 form (version last updated); and
 - Supplier Enablement Template (Select 'Sourcing' under Oracle responsibility field).
 - *Note: if a respondent has previously been enabled in the Oracle RFQ System as part of a separate bid event then they do not have to do it again, but should email Mike Heaton to notify him of participation interest for this RFP
3. Receive Formal RFQ response request (will be same information downloaded from non-wires alternative website).
4. Submit response and fully completed questionnaire to Oracle RFQ System prior to the deadline.

Key Things to Note

Terms and Conditions

- Proposal response format and Terms and Conditions are included in the RFP
- Clarification questions may be submitted via email through the Q&A process.

DR Solutions

- The company will leverage its existing DR programs to lower the amount of DER that needs to be procured.
 - The company may entertain proposed DR solutions that have the potential to enhance its existing programs.

Energy Storage

- All NY investor-owned utilities have a requirement to deploy at least two energy storage systems (ESS) by the end of 2018. To assist O&R in achieving this goal, energy storage providers are encouraged to respond to the RFP.
- Respondents may include proposals that require deployment on utility property or ownership models involving utility ownership, or operation and maintenance, or both, by the Company.

Questions

- Please submit clarification questions via email to to Michael Heaton at heatonm@coned.com no later than September 5, 2017