Pomona Distributed Energy Resources Program

Pre-Bid Conference

December 19, 2017

Agenda

- Overview and Purpose
- Pomona Distributed Energy Resources Program Overview
- Description of Need
- Solution Description
- Evaluation Criteria
- Proposal Response and Submittal Process
- Key Things to Note

Overview and Purpose

- Through this webinar O&R intends to:
  - Provide an overview of the Pomona Distributed Energy Storage Solutions (DESS) RFP
  - Review RFP submission, evaluation and selection timing
  - Discuss evaluation criteria and process
  - Review next steps

- This webinar is not intended to:
  - Answer specific questions about the RFP or process
  - Discuss Pomona Program need specifics

Pomona DER Program Overview

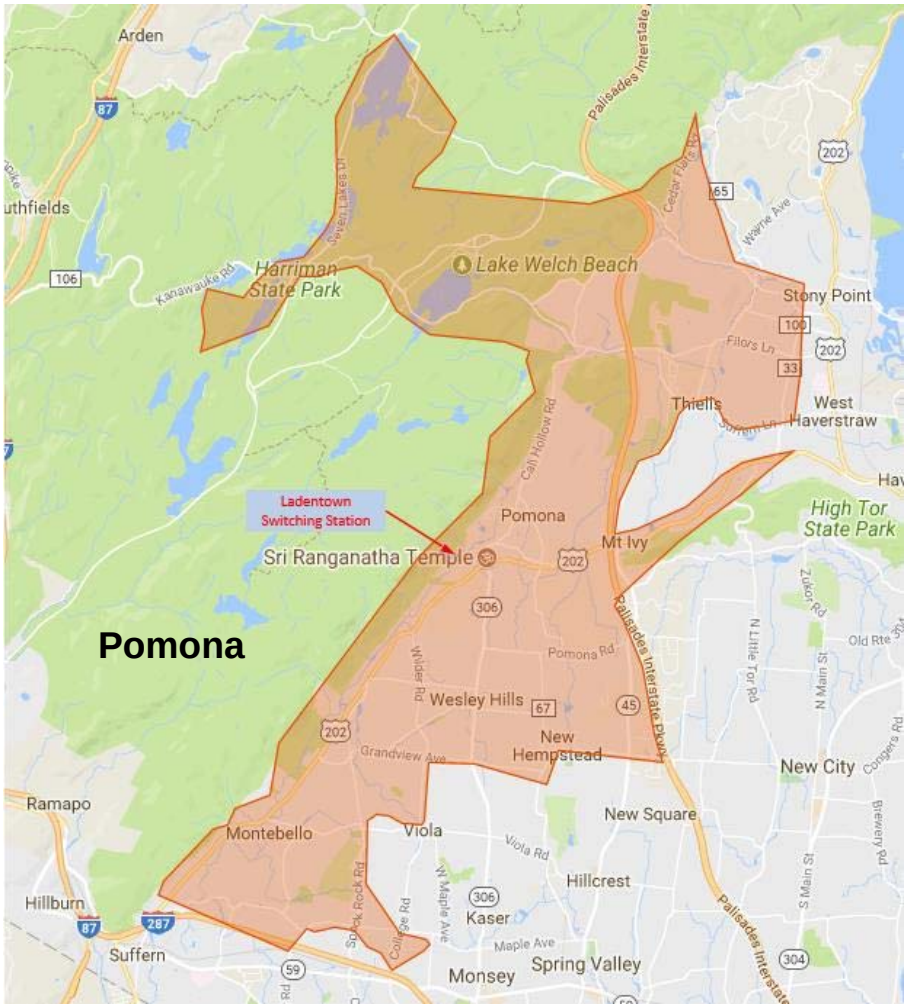
Objective

- On October 16, 2015, O&R received an approval from PSC to implement a Pomona DER Program in order to defer capital infrastructure investments required due to forecasted load growth
- O&R anticipates that distribution circuits in the Pomona area will be close to capacity or will exceed allowable ratings, during contingency events through an upcoming forecast period
- As part of the portfolio of solutions, the Company identified individual technologies that they would like to focus in future RFP's. One of them included distributed energy storage system (DESS)

Pomona NWA Overview (Cont'd)

Pomona Area

- The Pomona load area is served by nine distribution circuits: the New Hempstead Substation Circuits (45-1-13, 45-5-13, 45-6- 13, 45-7-13), West Haverstraw Substation Circuits (27-6-13, 27-7-13), Tallman Substation Circuits (51-3-13, 51-6-13) and Stony Point Circuit (23-4-13)
- The map approximates the geographical target area. From Palisades Interstate Pkwy west to State Route 202, from Viola Rd to Grandview Ave, and from New Hempstead Rd north



Load Profile

- The Pomona area serves approximately 10,800 customers*, the majority of which are residential while the remaining customers are commercial and industrial (“C&I”)

Customer Breakdown by Circuit

Distribution Circuit	Customers		
	Residential	C & I	Total
23-4-13	1248	94	1342
27-6-13	990	74	1064
27-7-13	1683	180	1863
45-1-13	815	28	843
45-5-13	1348	45	1393
45-6-13	492	202	694
45-7-13	1225	63	1288
51-6-13	1300	109	1409
51-3-13	801	62	863
Totals	9902	857	10759

*As of November 1, 2017

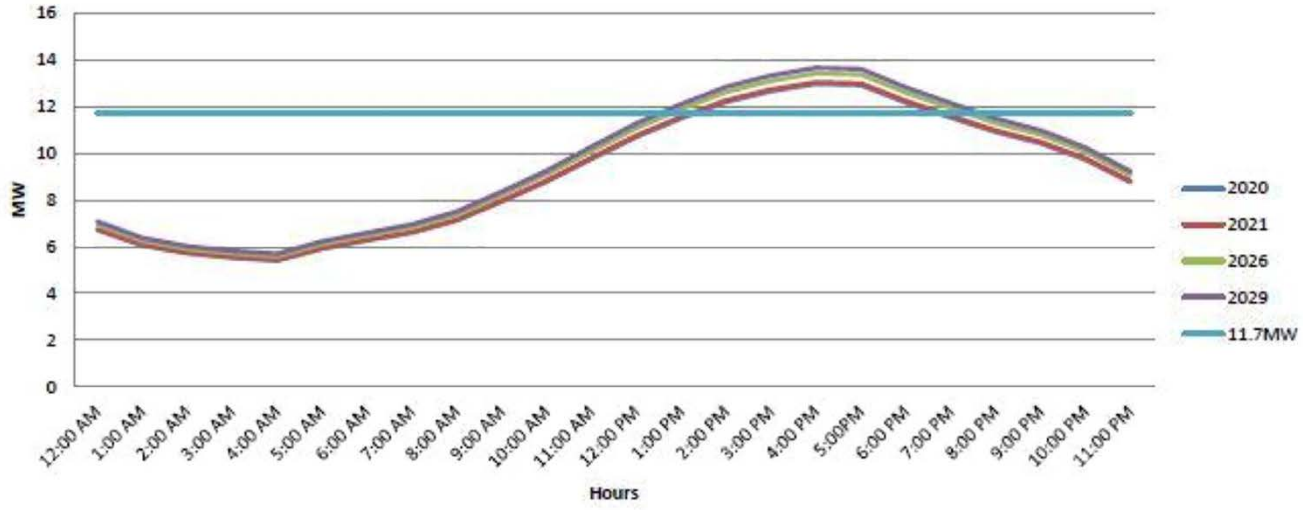
Desired Solution

- The DESS must provide electric distribution system load relief and reduce demand capacity requirements in the Pomona load area
- The needed reduction provided by the DESS will be in addition to existing EE and DR programs
- The RFP is focused on DESS that can provide load relief of **2MW** for a total discharge period of **six peak hours (12MWh)** a day during spring/summer peak months
- The Company will consider both in front of the meter ("FTM") DESS, and behind-the-meter ("BTM") DESS projects
- The Company may use one or more Respondent proposals to meet the indicated load reductions
- O&R prefers a modular DESS that can be easily augmented to increase the size
- The DESS shall be capable of unattended/remote operation, with remote monitoring and control capability by the Company

Solution Requirements

General

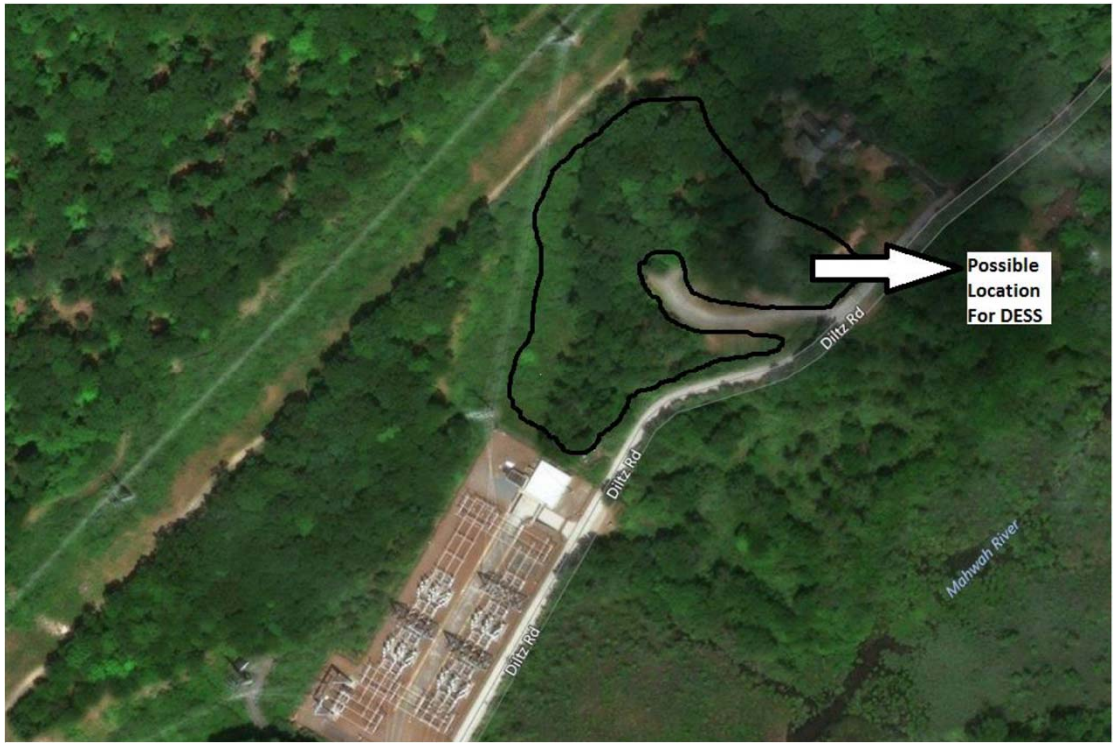
- The DESS must be available to provide at least 2MW of power during the time-frames indicated by the load curve set forth in Figure 1, Monday through Friday during the Spring/Summer Period



- Respondent may propose systems of nameplate capacity greater than the requested 2MW to facilitate access to wholesale markets or other revenues

DESS Proposed Location

- Orange and Rockland owns property within the Pomona area, adjacent to the Ladentown Substation (Mountain Rd, Ladentown, Town of Ramapo)
- DESS projects may be able to be located adjacent to the Ladentown Substation and must be sited so as not to interfere with the operation of and access to that site
  - DESS will not be allowed to interconnect or locate within the Ladentown Substation itself
  - O&R may consider leasing a portion of the site for the installation of the DESS to the Respondent at a price to be mutually agreed to by O&R and the Respondent, subject to NYSPSC approval pursuant to Section 70 of the Public Service Law



Functional Requirements (General)

The Respondent will be permitted to operate the battery at other times when the DESS will not be needed by O&R, provided appropriate system operating conditions and parameters are maintained

Any additional discharging or charging of the DESS, other than the timeframe mentioned above, must be approved by O&R

The vendor shall submit such request to O&R in writing at least 24 hour in advance before operating the battery

O&R also shall have the ability to override pre-programed cycles in the event of system emergencies

The DESS must conform to all applicable laws, regulations, codes, and orders of jurisdictional governmental entities

Functional Requirements (Cont'd)

DESS Life cycle

- The DESS is required to have at least ten years of design life, in order to fulfill the load requirement
- Consideration of useful design life after ten years will be taken into account when evaluating proposals

The DESS shall be designed for high reliability

- 99% starting reliability (unit shall start 99 out of 100 attempts)
- 99% or greater Annual Availability, during each of the first ten years of operation
- Less than 72 hours mean time to repair, from the time of notification of a need for repair to the time of completion of repairs (inclusive of time for arrival of spare parts and repair personnel at site)

DESS Emergency Power Requirement

- The auxiliary power system and control system of the DESS should provide for any emergency power necessary for an orderly system shutdown during abnormal conditions, such as loss of utility power

DESS Operator

- The Respondent shall be responsible for operation and maintenance of the DESS

Vendor Information

Responses should include:

- All methods and procedures required to comply with technical, safety and operational requirements for the interconnection and operation of their equipment with O&R's electric delivery system
- Financial assurances will be needed for the following commitments:
  - Amount of load reduction measures to be installed
  - Meet the In-service date for each measure
- Data and methodology used to determine the estimated demand reduction, annual kWh savings and methods/proposals to confirm measurement and verification (M&V) of delivered demand reductions
- Respondents may also include proposals that require deployment on utility property or ownership models involving utility ownership
- Information on elements of the proposal that affect the community (both positively and negatively) including, but not limited to, associated greenhouse gas ("GHG") emissions, waste streams and management, job creation potential and community disruption

RFP Schedule

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

RFP Solicitation Milestones	Completion Date*
RFP Issued	December 6, 2017
Pre-bid conference call	December 19, 2017
Deadline to submit clarification Questions	December 27, 2017, 1PM EDT
Responses to Clarification Questions Due	January 10, 2018
Deadline to become enabled in O&R/Con Edison Procurement System	January 24, 2018
Qualified Respondents Proposals Due	February 7, 2018, 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:

Clarification Question Submittal Period

- The period for clarification questions will be from the date of RFP release on December 6, 2017 through 1PM EDT of December 27, 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

Clarification Question Submittal Deadline

- The deadline for submitting clarification questions is 1PM EDT on December 27, 2017
  - O&R will have no obligation to evaluate late submissions, nor be responsible in any way for any consequences associated with late submissions

Response to Clarification Questions

- 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

Evaluation Criteria

Evaluation criteria will include but not limited to:

- Proposal content – Information requested has been provided and is comprehensive to allow for evaluation
- Viability - the extent to which the Respondent's proposed solution would address the needed solution
- Functionality - the extent to which the proposed solution would provide the needed load reductions
- Cost inclusivity – capture cost of all components mentioned in Section 4.7 of the RFP
- Feasibility of constructing/building the DESS project, including siting, licensing and permitting, any operational risk, any negative impact on community perception
- Environmental and community impacts associated with the proposed solution
- Unit cost – total cost, and $/MW and $/MWh at peak required for the proposed solution
- Timeliness – the ability to meet O&R's schedule and project deployment requirements
- Community impact – the positive or negative impact the solution might have on the community in the area

Evaluation Criteria (Cont'd)

- Price and reliability, particularly as compared to other proposed solutions along with the dependability and benefits that would be provided to the grid
- Respondent Qualifications - the Respondent's relevant experience and success providing these solutions to other locations, including reference checks and documented results
- Applicability to REV- supports the goals and objectives outlined in the REV proceedings
- Execution risk - the expected ease of project implementation within the timeframe required for the non-wire alternative solution (e.g., permitting, construction risks, operating risks)

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
- Respondents must take the following actions to ensure acceptance of a proposal submission:
    1. Download the Pomona DER Program RFP, Non-Wires Alternative Questionnaire, and Supplier Enablement Template
    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
- Responses should not exceed 35 pages and should include an NWA questionnaire
- Questions may be submitted through the Q&A process

Energy Storage

- All NY investor-owned utilities have a requirement to deploy at least two energy storage systems (ESS) by the end of 2018
- 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

Priority will be given to Respondents who can substantially demonstrate that completion of its proposed DESS installation is achievable by the end of 2018

Questions

- Please submit questions via email to to Michael Heaton at heatonm@coned.com no later than December 27, 2017 at 1PM EDT