

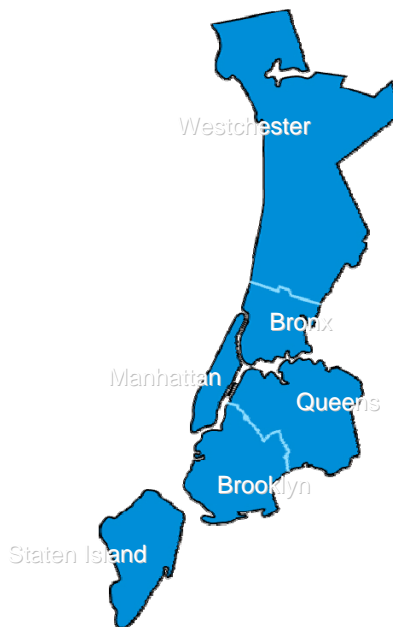
# Targeted DSM

ACEEE 3<sup>rd</sup> National Conference on Energy Efficiency as a Resource

September 27, 2005



Con Edison  
Service Area



## Targeted DSM

- **Objectives:**
  - **Defer the need for infrastructure capital investment**
  - **Reduce additional generation capacity requirements**



## Targeted DSM

- **Original RFP:**
  - **Scope – 8 Load Areas for 125 MWs**
    - **4 Daytime & 4 Nighttime Peakers**
  - **Eligible DSM – Permanent Energy Efficiency and DG (Isolated from the Grid)**
  - **12 Year Guarantee**
  - **Copies sent to more than 180 individuals**
  - **Pre-Bid Conference at Con Edison**



## Targeted DSM

- **Original Bids:**
  - **16 Bids**
  - **Proposals in all 8 Load Areas**
  - **Included:**
    - **Variety of DSM Measures**
    - **DSM Marketing & Sales Capabilities**
    - **Financial Strength**



## Targeted DSM

- **Bid Evaluation:**
  - **Insufficient Load Reduction in 4 Areas**
  - **Load Reduction in 1 Area Not Cost-Effective**
    - **Deferral of T&D Capital**
    - **Capacity Savings**
    - **Energy Savings**



## Targeted DSM

- **Selected Bids:**
  - **3 Competitive Bids for 3 Load Areas**
  - **47MWs by 2008**
    - **Fordham (Bronx) - 7MWs**
    - **Riverside (Manhattan) - 21MWs**
    - **Brownsville (Brooklyn) - 19MWs**



## Targeted DSM

- **Deferred Projects:**
  - **Fordham – 25MW Load Transfer**
  - **Riverside – New Area Substation**
  - **Brownsville – Replacement of Limiting Sections of 138 KV Feeder**



## Targeted DSM

- **Contract Issues:**
  - **100% Pre- and Post-Installation Inspections**
    - **By Third Party Vendor**
  - **Liquidated Damages**
  - **Exclusivity**
  - **12 Year Commitment**



## Targeted DSM

- **Status:**
  - **All agreements in place**
  - **DSM Vendors marketing in all areas**
  - **M&V Contractor performing inspections**
  - **DSM Installations underway**
    - **500 customers have participated to date**



## Targeted DSM

- **Next Steps:**
  - **New offering by year-end for up to 150 MWs**
  - **Based on Summer 2005 load**
  - **Part of 675MW DSM initiative with NYSERDA**
  - **Lessons learned with collaborative**
    - **Use of Standard Contract**
    - **Increase DG participation**
    - **Bid preparation time**
    - **Maintenance period**