Con Edison Commercial and Industrial (C&I) Energy Efficiency and Electrification Program Manual

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The new rates and conditions in this program manual are effective for first-time completed application package submissions as of January 1, 2026. These rates and conditions will remain in effect until a new version is published. Submitted applications will be eligible for the rates and conditions in effect on the date of application to the program.

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0.0 Program Manual Updates

The following is a summary of sections updated in this version of the manual. Please review the entire manual to ensure a project is eligible for the program.

Section	Summary of Revisions
2.0 Eligible Measures and Incentives	The following measures are no longer eligible for C&I Incentives: • Electronically Commutated (EC) Motors (HVAC) • Electronically Commutated (EC) Motors (Refrigeration)

1.0 Program Overview & Eligibility

The Con Edison Commercial & Industrial (C&I) Energy Efficiency and Building Electrification (EE/BE) Program offers incentives for installing energy-efficient equipment and technologies. Energy efficiency can help improve the bottom line by reducing energy use and maintenance costs while increasing operating efficiencies. These upgrades can also help protect the environment.

Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") has created this Program Manual for the C&I sector to define the rules for, and help customers participate in, its EE/BE Programs. Con Edison implements its Programs in accordance with the New York State Public Service Commission's May 15, 2025 Order Authorizing Non-LMI Portfolios for 2026- 2030 ("Non-LMI EE/BE Order").[1] The Non-LMI EE/BE Order authorized approximately $1.68 billion in Non-LMI EE/BE portfolio funding for Con Edison to implement EE/BE Programs across its service territory during the 2026 – 2030 program cycle. In addition, the Non-LMI EE/BE Order adopted rules to guide the implementation of this program, including the Strategic Framework, to categorize EE/BE measures.

There are two pathways for both Con Edison gas and electric C&I customers participating in the 2026 program year:

1. Prescriptive path: A project that includes prescriptive measures only. Prescriptive measures are listed in the New York State Technical Resource Manual (TRM) and use the TRM methodologies to calculate savings and have set incentive rates.

2. Custom path: A project that includes custom measures, which are eligible measures that are not listed in the New York State TRM. Custom calculations are required to determine the amount of energy savings and incentive amount.

To get started, choose a project's eligibility and path, complete a short application, and speak with one of our dedicated Energy Advisors with any questions about the EE/BE project or to schedule an on-site facility assessment.

Once the project is approved and completed, the incentive is mailed to the customer, or directly to the Participating Contractor, with customer approval. All projects must complete installation and submit the required paperwork by **October 15, 2026**.

[1] Case 14-M-0094 et al., *Proceeding on Motion of the Commission to Consider a Clean Energy Fund,* Order Authorizing Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030 (May 15, 2025) ("Non-LMI Order").

1.1 Program Process

1. CHECK PROJECT AND EQUIPMENT ELIGIBILITY
   - All installed equipment must meet or exceed specifications described in this Program Manual.
2. SUBMIT AN APPLICATION PACKAGE
   - An application package is required for all custom and prescriptive projects and includes the items listed below. When submitting your application package, please label these documents with the appropriate file names shown here.
     - Completed program application. Applicant name must match name of Con Edison account holder. Filename: Application
     - Proposal/Statement of Work. Include all equipment details related to the proposed measure and a complete description of the existing system operation including a cost breakdown between material and labor. Filename: Statement of Work
     - Con Edison Excel Tool (if your project contains a measure listed in one of our excel tools). Filename: Electric Measure Tool, Gas Measure Tool, etc.
     - Cut Sheets. Specific model(s) of the measure being used in the project must be highlighted on the cut sheets before submission. Filename: Cutsheet – *[Make - Model #]*
     - Any other measure specific documentation listed in this Program Manual or in guidance documents specific to the technology (custom projects) or requested to confirm savings calculations. Filename: *[Specify Document Type based on measure-specific requirements]*
     - W-9 of the incentive recipient. W-9 must be latest version available on IRS website. Filename: W9 Form
     - Customers: submit applications via email to their Energy Advisor or to Commercial@coned.com with a subject line of **New C&I Application – [Applicant Name]**.
     - Participating Contractors: must submit applications via Incentive Navigator.
     - Master Case ID (MCID) application must be entered for all projects that increase electrical load to the system and an MCID # will be required.
3. SIGN PRELIMINARY INCENTIVE OFFER LETTER (PIOL)
   - You will receive a Preliminary IOL once your project has been reviewed. Please clearly identify a contact person who may be present during the pre-inspection site visit and sign the document. This offer expires in 30 days if not returned to Con Edison.
4. PRE-INSPECTION
   - Con Edison will pre-inspect the existing condition of your site. To be eligible for incentives work may not begin until this pre-inspection has been completed and a Notice to Proceed has been sent by Con Edison.
   - Before you start any work on your site, Con Edison will conduct a pre-inspection to assess the existing condition of your site. The pre-inspection is a mandatory step that ensures that your site meets the program requirements and that the proposed work will result in energy savings.
   - Ensure the site is safe, unobstructed, and free from hazards. All Hazards must be clearly marked and identified. A clean and organized work site is expected.
5. NOTICE TO PROCEED
   - After the pre-inspection, a review of the project will occur and you will receive a Notice to Proceed

which includes an updated incentive offer, indicating project work may begin.

6. INSTALL EQUIPMENT
   - The Notice to Proceed allows 90 days to complete your project and submit your completion paperwork. Should you plan to exceed the 90-day installation timeframe, the program should be made aware either through the Program Application or via email update.
   - Refer to Section 1.5 for project eligibility for Building Envelope measures that are eligible multi-year incentives.
7. SUBMIT COMPLETION PAPERWORK
   - Submit your completion paperwork as soon as your project is completed. Completion paperwork should only be submitted after 100% of incentivized measures are installed. The completion paperwork includes
     i. Customer and Participating Contractor signed Completion Certificate. Only costs directly related to incentivized measures should be included on the completion form.
     ii. For prescriptive projects, final invoices must be made available upon request. For custom projects, all invoices must be submitted.
     iii. All itemized final invoices and receipts must be submitted and broken out by product.
     iv. See the “Project Costs and Invoicing Requirements” section of this manual for invoicing requirements.
     v. For Electrification projects the following must be submitted:
        - Completed Decommissioning Checklists projects that include full-load electrification measures.
8. POST INSPECTION
   - Con Edison will inspect the new condition of the site to determine eligible incentives.
   - After you have completed the installation of the new equipment, Con Edison will conduct a post-inspection to verify the condition of the site and determine the eligible incentives. Ensure that the new equipment is fully installed and operational to the applicable systems before the post-inspection. If the work is incomplete, the inspection will result in a fail.
   - Ensure the site is safe, unobstructed, and free from hazards. All Hazards must be clearly marked and identified. A clean and organized work site is expected.
9. RECEIVE INCENTIVE UPDATE LETTER (IUL)
   - Con Edison will issue an Incentive Update Letter reflecting final project savings, incentives, and payee information.
10. RECEIVE INCENTIVE PAYMENT
    - Once your energy savings and incentives are approved by the Program team, a Final Incentive Offer Letter (FIOL) and incentive check will be mailed to you or your Participating Contractor.

1.2 Incentive Payments

Prescriptive and custom incentives cannot exceed 50% of the customer's project cost for eligible measure(s) and 100% of each measure cost. Total incentives are capped at $1,000,000 for all projects, per account per year. Material and Labor costs submitted are subject to Con Edison review and may be capped for incentive calculations at our sole discretion. See additional invoicing requirements in the "Project Costs and Invoicing Requirements" section of this manual. The W9 submitted must match the name of the payee as indicated on the program application. Participating Contractors on probation may not be allowed to accept incentive payments on behalf of the customer. Participating contractors who are in good standing with the program will be allowed to accept incentive payments on behalf of the customer with prior written approval by the customer.

Account holders may assign incentive payments to subsidiary or parent companies. Proof must be submitted to show account holder is the parent company or subsidiary, as applicable, of assigned payee. In the case of master metered building scenarios, where building owner is the account holder and work is being done by the tenant, payment may be assigned to the tenant by the building owner.

1.3 Tax Liability

Incentives may be taxable for most taxpayers. If an incentive is more than $600, it will be reported to the IRS and the customer will be provided with an IRS form 1099, unless the customer has submitted documentation that they are a tax-exempt entity as defined by the IRS. Con Edison is not responsible for any tax liability that may be imposed on any customer because of the payment of program incentives. All customers must supply their Federal Tax Identification number to Con Edison to receive a Program Incentive. Please consult with your tax professional for information on the tax treatment of the incentives.

1.4 Customer Eligibility

General Requirements

- The Con Edison customer of record listed on the application is directly metered and must have a commercial or industrial account.
- Commercial or industrial accounts include all non-residential accounts, except for those associated with multifamily buildings.
- Multifamily buildings, as defined in the Con Edison Multifamily Energy Efficiency Program Manual, are not eligible for C&I incentives.
- For mixed use buildings, only the commercial or industrial portion of the building is eligible for C&I incentives.
- The customer, or any other entity, must not have applied for or received an incentive from the New York State Energy Research and Development Authority (NYSERDA), Con Edison or another utility for the same project.
- Accordingly, customer represents and warrants to, and covenants and agrees with, Con Edison that there is no pending or receipt of any financial incentive or rebate from any other person or entity with respect to the measure(s) identified in this Application and in any Preliminary Incentive Offer or Notice to Proceed issued by Con Edison in connection herewith.

Eligibility for Projects with Electric Saving Measures or Building Electrification Measures

In addition to the General Requirements listed above:

- Customers with a Con Edison nonresidential account over 100 kW average peak demand on a rolling 12-month basis are eligible for C&I incentives.
- Commercial customers between 100-300 kW may also choose to participate with Con Edison through the Small Biz and Non-Profit Program.

Eligibility for Projects with Gas Saving Measures

In addition to the General Requirements listed above:

- All customers with Con Edison commercial accounts are eligible except customers with a service class of SC-14 or customers receiving service via a negotiated contract.

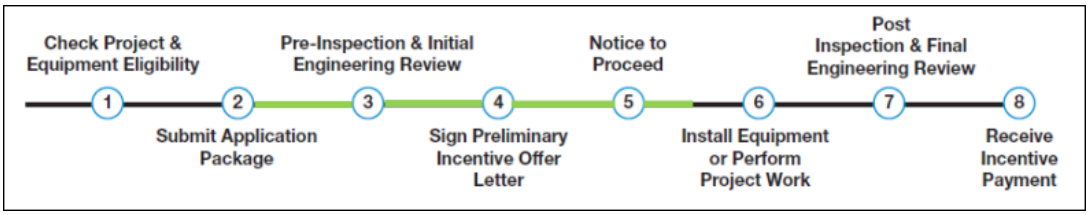
1.5 Project Eligibility

General Requirements

- Project must be in an existing facility, either a retrofit or gut renovation.
    - Gut renovations are defined as one of the following types of projects:
        - Change of use and reconstruction of existing building or space within, including removal of all materials and equipment down to the structural load-bearing beams. New construction is not eligible for this program.
        - Reconstruction of a vacant structure or space within, including removal of all materials and equipment down to the structural load-bearing beams.
- Equipment must be installed after customer signs and submits a signed preliminary IOL from Con Edison, allows for a pre-installation inspection, and receives a Notice to Proceed from Con Edison.
- All incentives provided are for replacement of existing fully operational systems unless the project is a gut renovation. Incentives do not cover maintenance, repairs, or replacement of existing non-functional equipment unless explicitly state herein.
- Incentives are for energy efficiency and building electrification improvements. Program incentives do not cover correction of existing equipment sizing. Equipment Downsizing will ONLY be eligible for incentives when the project meets Early Replacement or Extended Life requirements as outlined in Sections 2.6.1 and 2.6.2.

Completion Deadlines

- All projects must be completed (all documents received, and project is ready for post inspection) by **October 15, 2026,** to be guaranteed for 2026 incentive rates. Incentives for projects completed after this date may be reduced.
- Customers may request 2026 incentive rates to be guaranteed through 2027 for Window Replacement and Secondary Window System projects completed by **October 15, 2027**. To apply for consideration, Customers must submit a Project Installation Plan. The following diagram represents when a Project Installation Plan form can be submitted (highlighted in green):



1.6 Participating Contractor Eligibility

All Contractors who participate in the Con Edison Commercial and Industrial Program must be approved Participating Contractors and meet the following requirements:

- Complete a Participating Contractor application and submit a project to the C&I program. The Participating Contractor application will not be approved until the associated project is submitted to the C&I program for incentives
- Provide updated IRS W9 form and Certificate of Insurance policy (minimum $1M) on the participating contractor application
- Provide 3 customer references
- Workers Compensation coverage as required by NYS
- Attend C&I program training
- Complete at least 1 project in the program annually
- Adhere to the participating contractor participation requirements
- Adhere to program requirements
- Maintain an approved participating contractor status

Only Participating Contractors (PC) in good standing, consistent with the PC participation requirements, will be allowed to accept incentive payments on behalf of the customer.

1.7 Participating Contractor Participation Requirements

The goal of this policy is to verify that projects in the Program meet all Program requirements and customers are left satisfied with their Participating Contractor's performance.

Probation and Expulsion Procedure

Based on the findings of Con Edison quality assurance and quality control activities, the Program will document and inform Participating Contractors of any deficiencies and any corrective actions that need to be taken. Participating Contractors who deliver inconsistent results will be considered for Probation or Expulsion. Program expulsion is defined as the **permanent removal** of the Contractor from the Program. All the privileges of Program participation will be revoked including but not limited to the use of all marketing materials associated with the Program. For more information on the Program's disciplinary policy, please refer to Attachment A in the Commercial and Industrial Program Participating Contractor Agreement.

Disclaimer and Code of Conduct for Participating Contractors

- Safety Access: As a Participating Contractor, you are required to ensure a safe, unobstructed, and easily accessible environment for our inspector to conduct the site visit. You are responsible for addressing any potential safety hazards before the site visit to prevent accidents or injuries
- Professional Conduct: Participating Contractors are expected to act professionally at all times when interacting with our inspectors. This includes maintaining respectful communication, adhering to appropriate behavior, and refraining from any actions that might be considered unprofessional or disrespectful.
- Discussion Limitations: It is not within the inspector's purview to discuss savings or incentives. These topics should be directed toward your Business Development representative. Any attempt to pressure an inspector into discussing these subjects is inappropriate and against the terms of this agreement.

Please be aware that any breach of this code of conduct, including unprofessional or disrespectful behavior or attempts to pressurize our inspectors to discuss incentives or savings, will be deemed a breach of contract. Such infractions may be subject to penalties as outlined in the terms and conditions of your contract agreement.

By continuing to work under this agreement, you, the Participating Contractor, acknowledge the above expectations and agree to conduct yourself by this code of conduct. Please contact your Business Development representative with any questions regarding this disclaimer."

1.8 Scope of Work Change

A scope change is when a Customer or Participating Contractor updates their scope of work after receipt of a preliminary offer letter or after a Pre-Installation Inspection is performed. Once a Customer or Participating Contractor has determined that their scope of work has changed from their original application, the Con Edison C&I Program must be notified to confirm that the revised scope is still eligible for incentives. The Customer or Participating Contractor should complete and submit the Scope of Work Change Form detailing the new scope of work. All relevant information such as updated cutsheets, costs, etc should be included with the scope change submission package.

A scope of work change form may be submitted through submission of the project's completion certificate. Failure to submit Scope of Work Change Form could result in loss of program incentives. Upon review of a scope change, Con Edison may revise project savings, project costs, and incentive amount. A secondary pre-installation inspection may be required to validate eligibility and existing conditions.

1.9 Non-Wires Solutions (NWS) Neighborhood Program Bonus Eligibility

Con Edison's NWS Neighborhood Program offers bonus incentives for customer energy efficiency projects in eligible neighborhoods that reduce summer coincident peak electric demand. The Neighborhood Program is part of Con Edison's portfolio of innovative Non-Wires Solutions which are delivered as alternatives to more traditional utility distribution system projects.

The Neighborhood Program for Commercial and Industrial Customers offers a bonus incentive, in addition to C&I program incentives, for energy efficient upgrades that provide summer electric peak demand (kW) savings in eligible neighborhoods coincident with the network peak hour. The customer project site must be in an eligible electric network to qualify (see section 1.9.3). Qualifying C&I customers installing eligible measures may receive the Neighborhood Bonus in the amount of **$2,000/kW saved, up to 100% of each measure cost, and 100% of the total project cost**, including all offers through the C&I Energy Efficiency Program. NWS Neighborhood

Program Bonus payments will be provided to the project payee in a separate check after receipt of the C&I Energy Efficiency Program incentive payment.

The applicant only needs to submit one C&I Program Application package. Con Edison automatically checks project eligibility for the NWS Neighborhood Bonus upon review of the C&I Application package. If the project is eligible for the Neighborhood Bonus, Con Edison will share an NWS Neighborhood Bonus Preliminary Incentive Offer Letter (PIOL).

Measures eligible for the NWS Neighborhood Program Bonus for C&I Buildings are listed in the following table.

Neighborhood Bonus for C&I: Eligible Measures	
NWS Prescriptive Measures	**NWS Custom Measures**
• 2.3.1 Air Compressors (single system replacement) * • 2.5.1 Anti-Condensation Heater Controls • 2.5.3 Refrigerated Display Case Replacements	Examples of other measures that may be eligible include: • 2.1.1 Building Envelope • 2.3.2 Elevator Modernization • 2.5.2 Evaporator Fan Controls • 2.5.3 Compressor Racks • 2.3.1 Air Compressors (multi-system replacement) * • Other Custom Electric Measures

*To be eligible for the NWS Neighborhood Bonus, *Air compressor measures must demonstrate peak demand savings by replacing the existing baseline air compressor with a new, energy efficient air compressor. Single-compressor systems that are a 1:1 replacement will follow the NWS prescriptive incentive pathway. Multi-compressor systems are too dynamic to accurately be characterized as a prescriptive measure and thus will follow the NWS custom incentive pathway.*

Applicants with projects that qualify for the NWS Neighborhood Bonus may participate through the NWS prescriptive or custom pathway. NWS custom measures must meet a minimum peak demand (kW) savings threshold of 15 kW to qualify for NWS Neighborhood Bonus incentives.

1.9.1 NWS Prescriptive Neighborhood Bonus Eligibility

Prescriptive measures eligible for the Neighborhood Bonus are listed in the NWS Prescriptive Measures section of the table above. Eligible projects installing prescriptive measures will receive a PIOL with the eligible estimated NWS Neighborhood Bonus amount following Con Edison review of the C&I Application Package.

Projects will follow the standard C&I program process described in Section 1.1. Following the Post-Installation Inspection, the final NWS Neighborhood Bonus amount will be determined based on final project costs and final demand (kW) savings for eligible measures that are fully operational. Applicants will receive an Incentive Update Letter with the final bonus incentive amount and the NWS Neighborhood Bonus will be paid in a separate check after receipt of the C&I Energy Efficiency Program incentive payment.

1.9.2 NWS Custom Neighborhood Bonus Eligibility

Projects with eligible custom measures, defined above, and meeting a minimum peak demand (kW) savings requirement of 15 kW or greater, may participate for the NWS Neighborhood Program Bonus, via the NWS custom pathway. All project measures following the custom pathway must be approved by the NWS Neighborhood Program Team at the application stage to be considered for the bonus. Applicants that elect to participate are required to sign the NWS C&I Neighborhood Bonus Program Agreement and adhere to additional terms and conditions of the NWS Neighborhood Program.

Performance-Based Bonus Incentive subject to Measurement & Verification
The custom Neighborhood Program Bonus is a one-time performance-based incentive, determined by measured demand savings at the summer coincident network peak hour. The NWS Neighborhood Program team will conduct additional program Measurement & Verification (M&V) activities to verify the summer coincident network peak electric demand (kW) reduction resulting from the project. M&V activities may include additional pre- and post-installation site visits and metering, which will be performed by Con Edison and/or its third-party contractors. The Applicant must allow the NWS Neighborhood Program team to complete required pre-installation inspection and measurement activities, if any, prior to commencing installation work. The NWS Neighborhood Program team will notify the Applicant if pre-installation measurement activities are waived.

The final NWS Neighborhood Bonus will be determined based on the final project cost and the verified summer coincident network peak demand (kW) reduction, following the completion and analysis of program M&V activities. As the bonus incentive is based on actual savings performance, the final bonus incentive amount may differ from the PIOL.

Participating Contractors in good standing may accept Neighborhood Program incentives on behalf of the customer with prior written approval from the customer. Participating Contractors accepting the Neighborhood Program incentive on behalf of the customer are required to reimburse or credit the customer with the full NWS bonus incentive.

Additional Process Steps for Custom Neighborhood Bonus Pathway
The additional process steps to claim the NWS Neighborhood Bonus include:

1. If the project is eligible for the custom NWS Neighborhood Bonus, the project applicant will receive an NWS Neighborhood Bonus PIOL and the NWS C&I Neighborhood Bonus Program Agreement following review of the C&I Application package.
2. Applicant completes, signs, and returns the NWS C&I Neighborhood Bonus Program Agreement.

3. The NWS Neighborhood Program team provides an M&V plan detailing the M&V activities required to verify project savings for the Applicant to review and accept.
4. Con Edison and/or its third-party contractor completes M&V activities as detailed in the M&V plan.
5. The NWS Neighborhood Program team calculates the final NWS Neighborhood Bonus incentive amount based on the results of the completed M&V plan. The final NWS Neighborhood Bonus incentive is processed and mailed to the project payee after the final C&I Energy Efficiency Program incentive payment has been paid, and any program M&V activities and associated analysis has concluded.

If there is uncertainty about NWS measure eligibility, please inquire by emailing commercial@coned.com.

Participation in the NWS Neighborhood Program Bonus is not mandatory. Applicants with projects eligible for the Neighborhood Bonus may forgo NWS participation and opt to only participate in the C&I Energy Efficiency and Electrification Program.

1.9.3 NWS Neighborhood Bonus – Network Eligibility

The customer project site must be in an eligible electric network to qualify. The following neighborhoods are eligible for the NWS Neighborhood Bonus in 2026:

- **Jamaica (Southeast Queens):** Jamaica network

The following map shows the eligible network areas of Jamaica. If you are not sure about your specific eligibility, please contact your Energy Advisor or send us an email to the C&I Energy Efficiency and Electrification Program inbox commercial@coned.com.

1.9.4 NWS Neighborhood Bonus – Eligibility Updates

Jamaica (Southeast Queens): NWS Neighborhood Bonus incentives continue to be offered in 2026 for eligible customer projects located in the Jamaica network area in southeast Queens**.** Project applications must be submitted to the C&I Program no later than December 31, 2026, and installed and ready for post-installation inspection no later than May 1, 2027, to be eligible.



2.0 Eligible Measures and Incentives

All measures and incentives listed below are subject to change at the discretion of Con Edison without prior written notification.

2.1 Building Envelope and Building Electrification

2.1.1 Building Envelope

Measure	Eligibility Criteria	Incentive Per Unit
Envelope Measures	Air Sealing Exterior Wall and Roof Insulation Secondary Window Systems Window Replacements Other upgrades to existing building envelope that reduce energy losses	$0.85 per kWh $150 per Mlbs of Con Edison Steam[2] $25 per therm $15 per Gal of Fuel Oil[2]

Window Replacements and Secondary Window System are eligible to be considered for a guaranteed 2026 rate through 2027. Customers must submit a project installation plan and schedule with the project application package to apply for consideration.

Applicants shall submit installation photos at project completion for all envelope insulation and air sealing projects (e.g., wall insulation). Photo documentation must meet the following requirements outlined below:

- All photos must be clear with readable labels (E.g. Thickness Measurement of Insulation)
- All photos must be date- and time-stamped
- Photos must show insulation type, thickness, R-value and proper installation.
    - Photos showing thickness measurements must show the item being measured by the proper measurement tool (measuring tape, depth gauge, etc).
- Include overview photo showing insulation location (interior, exterior, etc).

2.1.2 Building Electrification Measures

Installation of full load efficient electric heat pump systems, including cold-climate air-source heat pumps (ASHPs), heat pump water heaters (HPWHs), and ground-source heat pumps (GSHPs), within Con Edison's electric service territory are eligible for C&I incentives. For more details on GSHP incentives and eligibility, please refer to the Con Edison Non-Residential GSHP Program Website[3]. Please refer to the Building Electrification technical guide for measure-specific requirements.

[2] See the eligibility requirements for secondary steam and secondary oil savings to determine if your project is eligible for this incentive, Secondary Steam or Fuel Oil Incentives.

[3] www.coned.com/commercialgeothermal

For all projects that increase the electrical load on the system, a Master Case ID (MCID) application must be submitted, and an MCID number is required. Con Edison requires that all non-residential building electrification projects have adequate service before they are eligible to receive incentives from the Company's EE/BE Program.

Measure	Incentive ($/MMBtu)
Space Heating: Full Building Load Electrification	$120
Space Heating: Phased Load Electrification	$70
Domestic Hot Water Electrification	$200

Space Heating Full Building Load Electrification: Full-load space heating projects must be designed and sized to meet at least 100% of the building heating load (BHL) at design conditions.

To qualify for space heating full building load electrification incentives in the C&I sector decommissioning of existing heating system is required unless the building qualifies as a critical facility, as defined by the table below. Customers and Participating Contractors are required to submit a completed Decommissioning Checklist when the installation is complete. Please reference the Non-Residential Decommissioning Photo Guide for best practices for Participating Contractors to ensure decommissioning standards and requirements

Critical facilities may qualify for space heating full building load C&I incentives subject to the approval of Con Edison without decommissioning or cutting/capping their existing systems, if their heat pump system meets 100% of the building heating load at design conditions and the incentive application successfully shows that the heat pump systems are prioritized over the existing heating system.

Critical Facilities		
Airports	Emergency Shelter	Nursing Home
Facility Water Supply System	Cable Television Facility	Fire Facility
Police Facility	Paramedic and Rescue Facility	College or University
Flood Control Structures	Cellular Telephone Facility	Dialysis Facility Hospital
Fuel Transfer/Loading Facility	Prison/Correctional Facility	Radio Broadcasting Facility
Electric Utility Facilities	Landline Telephone Facility	Schools
Emergency Cooling Center	Mass Transit (e.g., tunnels, bridges, ferry terminals, major rail facility)	Television Broadcasting Facility
Emergency Management	Office Military Bases Wastewater	Delivery/Treatment Facility
Emergency Medical Facility (Urgent Care	Natural Gas Utility or Pipeline	

Phased Load Electrification: Consistent with the Con Edison Non-LMI EE/BE Implementation Plan, custom projects that do not electrify an entire building will be treated as Phased if they meet the following two conditions:

1.Include new equipment that uses electricity and one or more of the following sources of heat: geothermal heat exchanger, air-source heat pump, or recovered waste heat.

2. Permanently reduce fossil fuel or district steam use for space, water, or process heating. Projects may permanently reduce fossil fuel or district steam use, together [with] “legacy systems,” either by disabling or disconnecting the heating equipment or system, or through the application of controls.

A sample listing of project types that do not electrify all of a building’s heating needs but which the Company considers Phased and Strategic is below:

Phased Load Examples:

1. Projects that electrify a specific area (e.g., floor, wing)
2. Projects that electrify a specific system (e.g., space heating, DHW or ventilation only)
3. Heat recovery systems
4. Buildings with hydronic internal distribution systems for space heating that electrify a central legacy heating plant in stages. As a result, there will likely be heat pumps working to heat the hydronic loop alongside legacy fossil equipment.
5. Ground-source heat pump projects that connect separate spaces to a shared bore field in stages.
6. Projects that electrify less than 100% of a building’s domestic hot water heating load with a central plant.

Domestic Hot Water Electrification (DHW): To qualify for full load incentives, DHW projects must be designed and sized to meet 100% of the DHW load within the project scope under design conditions. DHW projects that meet the Phased criteria, including using a central plant, are eligible for Phased incentives.

2.2 Heating, Ventilation, & Air Conditioning (HVAC) and HVAC Control Measures

The Con Edison C&I Program offers the following incentives for equipment upgrades related to HVAC. Measure categories are based on equipment descriptions listed on the submitted specification sheets. Please refer to section 2.1.2 for more information on building electrification incentives.

AHRI Certifications must be submitted to Con Edison with the project application.

2.2.1 Building Automation Systems (BAS) and Controls

The following is the minimum information required for energy conservation measures (ECM's) related to building controls. Repair or replacement of broken BAS and retro commissioning are not eligible for incentives. Installation of software or programming only are not eligible for program incentives.

Measure	Incentive
Building Automation Systems (BAS)	$0.35 per kWh $80 per Mlbs of Con Edison Steam[4] $5 per therm $10 per Gal of Fuel Oil[44]

Required Project Documentation

All projects must provide the following documentation.

1. A detailed scope of work that contains all equipment in the proposed measure and includes existing system operation.
   - Provide the existing system operation, including unit name, capacity, electrical power requirements, hours of operation, etc.
   - Indicate the extent of work to be done. For example, does the scope of work consist of only software/programming upgrades, installation of VFD's or control sensors?
   - Provide a list of all new or modified control points
   - Provide both material and labor costs to implement the proposed control strategies
   - Annual Consumption data for all fuel types that are saving energy for your submitted project.
2. Mechanical Equipment Schedule – sequence of operation for equipment
   - Schedule should identify mechanical equipment controlled, including Air Handlers, Chillers, Pumps, Cooling Towers, and Heat Exchangers, and associated control parameters, such as capacities, flow rates, and set points. This is to properly determine baseline of equipment.
3. The control sequence of operation from the controls vendor describing controlled parameters, such as set point ranges, etc.
4. An engineering analysis of the estimated energy savings based on implementation of the proposed

[4] See the eligibility requirements for secondary steam and secondary oil savings to determine if your project is eligible for this incentive, Secondary Steam or Fuel Oil Incentives.

measure. Use the existing system operation as the baseline.

- In cases where a project includes multiple ECMs, the engineering analysis must ensure that energy savings impacts due to each measure do not overlap. For example, if one measure is time of day shutdown, and the next measure is static pressure reset, the baseline energy consumption for the static pressure reset measure shall use the reduced hours of time-of-day shutdown.

2.2.2 Fuel Switching - HVAC

The Program offers incentives to HVAC upgrades that electrify existing district steam or natural gas or fuel oil equipment.

To qualify for Fuel Switching incentives, a project must:

1. Have a Program eligible Con Edison electric account
2. Provide annual oil (Fuel Oil No. 2 and 4 only) usage and proof of purchase
3. Have not received incentives through the Demand Management Program (DMP) for the existing steam or natural gas consuming equipment and associated controls, being proposed for electrification.
4. Not be located in a Non-Wires Solutions (NWS) area.
5. Be an existing facility, including gut renovation

Measures not eligible for fuel switching incentives include:

- Heat pumps, heat pump chillers, heat recovery chillers for space heating/cooling or hot water
- Electrification of non-HVAC equipment, such as stoves, washers, and dryers
- Removal of Cogeneration or Combined Heat and Power (CHP) Plants.
- Electrification of district steam cooling equipment

The full list of guidelines for fuel switching measure submission can be found in the Fuel Switching Measure Guidelines reference documents at http://www.coned.com/largecommercial.

Measure	Incentive	Unit
Fuel Switch – HVAC	$70	MMBTU

2.3 Motors and Drives

2.3.1 Air Compressors

Measure	Type	Existing Condition	Eligibility Criteria	Incentive	Unit
Air Compressor	VSD	Existing, constant speed compressor	15 – 24 Horsepower	$250	Per HP
			25 – 74 Horsepower		
			≥ 75 Horsepower		
	Variable Displacement		50 – 74 Horsepower		
			≥ 75 Horsepower		

2.3.2 Elevator Modernization

This measure is available for specific upgrades as identified in Con Edison's Elevator Modernization Tool, available on our website. Qualifying projects will receive the incentive rate listed below. See the Elevator Modernization Tool for additional eligibility requirements for this measure. For existing traction type elevators only.

Measure	Incentive	Unit
Elevator Modernization	$0.30	Per kWh

2.3.3 Variable Frequency Drives (VFDs)

VFDs provide opportunities for energy savings in many motor-driven systems. VFDs coupled with NEMA premium-efficiency motors offer greatly enhanced system control and efficiency. VFDs must be tied to the control system and controlled through sequence of operation/set point strategy, and operate at variable frequencies as determined by the control system.

- Building Exhaust Fans*
- Make-up Air Fans
- HVAC Supply and Return Air Fans*
- Heating Water Pumps*
- Chilled/Condenser Water Pumps*
- Water Source Heat Pump Circulating Loop Pumps
- Boiler Feed Water Pumps
- Process Fans and Pumps
- Variable Speed Domestic Water Booster Pump System
- Process Machinery
- Other Processes where system efficiencies are improved by coupling VFDs with motor-driven

systems

VFD measures denoted with an asterisk may use the New York State Technical Reference manual, as applicable, to calculate savings. Alternatively, applicants may choose to submit these measures using a custom approach. All other VFD measures must use a custom approach to calculate savings. All custom savings analyses shall be accompanied by backup documentation, including pre/post system description, affinity law calculations, and other documentation list in the Custom Measure Guidelines reference document available on our website.

Projects with existing VFDs may be eligible for VFD incentives if the project proposes installation of new hardware that will allow the existing VFD to operate at variable frequencies, where there was previously no capability to do so. Controls added to a VFD that is used as a soft starter are also eligible for VFD incentives.

The following applications (including custom installations) are not eligible:

- New VFDs replacing existing nonfunctioning VFDs
- Replacement of existing VFD capable of operating at variable frequencies as determined by its control system.
- BMS or controls incentives may be considered in these cases if the project proposes to install new control hardware to further optimize the system operation above the existing conditions.
- New VFDs installed in conjunction with HVAC upgrades and/or major alterations that trigger code.

Measure	Calculation Type	Eligibility Criteria	Incentive	Unit
Building Exhaust Fans Make-up Air Fans	Prescriptive	New VFDs tied to control system Operating at Variable Frequency Uses NYSTRM VFD equations	$0.19	Per kWh
HVAC Supply and Return Air Fans Heating Water Pumps Chilled/Condenser Water Pumps	Custom	New VFDs tied to control system Operating at Variable Frequency Uses Custom Calculations	$0.35	Per kWh
All other VFD applications	Custom	New VFDs tied to control system Operating at Variable Frequency Uses Custom Calculations	$0.35	Per kWh

2.4 Other Efficiency Measures

2.4.1 Pipe Insulation

Installing new pipe insulation on existing bare piping is eligible for incentive at the rates indicated in this section. Repairing damaged insulation is not eligible for incentives.

- This measure is eligible when installed in the following applications:
  - For Space Heating applications, piping must be only in unconditioned spaces
  - For Domestic Hot Water applications, piping must be only for recirculating Hot Water systems

  - Other applications (i.e. Chilled Water, Process Systems, etc.) may be eligible for custom incentives
- Linear pipe insulation projects where insulation is installed on pipes up to 8" pipe diameter will receive the incentive rates indicated in this section. Larger pipe diameter must be submitted as custom analysis
- Pipes that have undergone an asbestos abatement in the past 12 months aren't eligible for incentives
- Submit pictures of boiler(s) and associated nameplate(s) ratings. For dual-fuel boilers, you must indicate the percentage of time the boiler runs on gas provided by Con Edison.
- Insulation must be installed in accordance with the NYCECC or NYSECC as applicable, based on pipe diameter.
- All pipe insulation projects must be submitted using Con Edison's Survey template, available on our website. The survey template also accepts inputs for pipe diameters greater than 8" up to 16"

Measure	Service Type	Eligibility Criteria	Incentive	Unit
Linear Pipe Insulation	Steam and Hot Water Space Heating, Domestic Hot Water Heating	Bare pipe with diameter up to 2"	$7	Per linear foot of piping.
		Bare pipe with diameter greater than 2", up to 8"	$10	
	All	Bare pipe with diameter greater than 8", up to 16"	$2	Per Therm saved

2.4.2 Telecommunication Switch Modernization

Incentives are offered for modernization of telecommunication infrastructure by transitioning from of legacy copper networks to fiber optic cable and wireless switch technologies.

Measure	Incentive	Unit
Telecommunication Switch Modernization	$0.15	Per kWh

2.4.3 Waste Heat Recovery

Systems that beneficially reuse waste heat for the purposes of providing space conditioning or domestic hot water heating in a building. Waste heat recovery technologies include but are not limited to heat recovery ventilators, and energy recovery ventilators, as well as other non-heat pump HVAC measures.

Measure	Incentive	Unit
Electric Measures	$0.56	Per kWh
Gas Measures	$10	Per

		Therm
Secondary Steam Measures	$100	Per Mlbs

2.5 Refrigeration Measures

Refrigeration measures are incentivized at rates listed below. Custom Refrigeration Measure are incentivized at a rate of $0.19 per kWh saved, except for compressor rack system upgrades which are eligible for the custom incentive rate of $0.35 per kWh.

2.5.1 Anti-Condensation Heater Controls

Installation of controls that turn off door heaters in reach-in coolers or freezers when there is low risk of condensation. New heater control must not replace existing heater control. Please input each controller as a separate line item in the electric tool.

Measure	Incentive	Unit
Anti-Sweat Heater Control - Reach-in Cooler or Freezer	$25	Per door

2.5.2 Evaporator Fan Controls

Installation of controls that turn off evaporator fans in walk-in cooler and freezer applications when the cooler or freezer has reached the desired temperature. New evaporator fan control must not replace existing fan control.

Measure	Incentive	Unit
Evaporator Fan Control - Walk-in Cooler or Freezer	$0.19	Per kWh

2.5.3 Other Refrigeration Measures

Measure	Incentive	Unit
Refrigerated Case Replacement	$0.19	Per kWh
Compressor Rack System	$0.35	Per kWh

2.6 Custom Measures

In addition to the prescriptive measure pathways outlined in the preceding section, the Program offers incentives for projects under a Custom pathway. Custom projects include measures that are not listed in the New York State TRM or those that require a more complex application than defined in the TRM.

All custom measures must:

- Align with the Strategic Framework established in the 2025 EE/BE Orders[5]
- Include detailed engineering calculations to determine projected energy savings and incentive amounts

Eligibility for Custom projects is determined by Con Edison on a case-by-case basis.

Energy Conservation Measures not eligible for Program incentives under the Custom pathway include, but are not limited to:

- Measures with an Effective Useful Life (EUL) of six years or less
- Gas combustion technologies
- Plug-in devices or appliances, including Demand Response enabled equipment
- Operations & Maintenance (O&M) measures

2.6.1 Performance-Based Incentives

Other energy efficiency upgrades not listed in this document may be eligible for performance-based Custom incentives at the rates listed below. Measures listed in the TRM with complex technologies, unique facility types and processes installed in large facilities are also eligible to receive a custom rate. Final custom measure eligibility, savings and incentives are determined at the sole discretion of Con Edison. All custom projects must submit the following information:

- List of all proposed measures with related technical specifications and estimated savings
- An unlocked spreadsheet (PDFs not accepted) with all equations, parameters and assumption values used to calculate savings
    - All calculations must be clear and transparent utilizing standard engineering methodologies
    - Must list source of values
- Complex energy modeling, including where trade-offs among disciplines are calculated, should use the following software including updates: DOE2.1E, DOE2.2, eQuest, Trane TRACE 3D Plus, OpenStudio, TREAT, NEO, IESVE, and Carrier Hap.
- Annual Consumption data for all fuel types that are saving energy for your submitted project.
- All other applicable data and supporting documentation used to calculate savings and/or assumptions

The full list of guidelines for custom measure submission can be found in the Custom Measure Guidelines reference documents at www.coned.com/largecommercial.

Measure	Incentive	Unit
Custom Electric Measures	$0.35	Per kWh
Boiler Outside Air Reset Controls	$1	Per Therm
TRM measures with an EUL Greater than 6 Years not listed in this manual	$2	

[5] Case 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative ("EE/BE Proceeding"), Order Authorizing Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030 ("2025 Non-LMI EE/BE Order") (issued May 15, 2025)

Custom insulation for piping, pipe fittings, equipment jackets, and similar equipment.	$2	
Other Custom Gas measures	$5	

2.6.2 Secondary Steam and Fuel Oil Incentives - Custom

The Program offers incentives to projects that reduce **both** electricity and district steam provided by Con Edison or both electricity provided by Con Edison and fuel oil. Such projects may receive incentives for the reduction of Secondary Steam or Fuel Oil. Secondary Steam or Fuel Oil savings are defined as secondary savings achieved by a measure that also reduces electric energy use.

To qualify for Secondary Steam incentives, a project must:

1. Have an eligible Con Edison electric account
2. Have active Con Edison steam service
3. Install one of the eligible measures as follows:
    a. Measure must save both Con Edison electric energy and Con Edison steam energy

To qualify for Secondary Fuel Oil incentives, a project must:

1. Have an eligible Con Edison electric account
2. Provide annual Fuel Oil (Fuel Oil No. 2 and 4 only) usage and proof of purchase for buildings looking to claim fuel oil savings
3. Install one of the eligible measures as follows:
    a. Measure must save both Con Edison electric energy and fuel oil

The following measures are eligible for secondary steam and fuel oil incentives:

1. Envelope upgrades to existing buildings that reduce the building cooling and heating loads. See section *Building Envelope* for secondary steam and fuel oil incentives associated with envelope upgrades.
2. Building Automation Systems (BAS) that reduce both Con Edison electricity and Con Edison steam or fuel oil consumption. See section *Building Automation Systems (BAS)* for secondary steam and secondary fuel oil incentives associated with BAS measures.

The following measures are eligible for secondary steam incentives:

1. Waste heat recovery technologies include but are not limited to heat recovery ventilators, energy recovery ventilators, as well as other non-heat pump HVAC measures. Systems that beneficially reuse waste heat for the purposes of providing space conditioning or domestic hot water heating in a building.

Measures that save only fuel oil or only Con Edison district steam are not eligible for this incentive. Projects that install space heating and domestic hot water equipment that consume gas, steam or other delivered are not eligible.

2.6.3 Early Replacement-Custom

Energy efficiency upgrades for equipment that has not yet reached its Effective Useful Life (EUL) are able to

apply for the Early Replacement incentive. **In this category, the measure is eligible for maximum energy savings and incentives. Energy savings are based on the existing equipment efficiency and operating conditions.** Early Replacement energy efficiency upgrades may be eligible for performance-based Custom incentives at custom measure rate. Final custom measure eligibility, savings and incentives are determined at the sole discretion of Con Edison.

Projects applying for incentives using the Early Replacement path are required to satisfy any measure eligibility criteria identified in other sections of this manual as applicable. For example, a project involving the installation of a new chiller must meet all the program eligibility requirements for chillers in addition to the requirements listed in this section.

In addition to required program documentation, all Early Replacement projects must submit the following information:

A. List of all proposed measures with related technical specifications
    - Please provide a brief write-up of the existing equipment and its operation parameters
B. Documented proof of equipment installation date
C. At the time of application, the existing equipment cannot exceed its Effective Useful Life (EUL) and should have at least 25% of EUL remaining
D. The existing equipment must be fully functioning
E. Calculated energy savings and cost of upgrading existing equipment to energy efficient equipment
    - All calculations must be in unlocked spreadsheet (PDFs not accepted) with all equations, parameters and assumption values used to calculate savings
    - All calculations must be clear and transparent utilizing standard engineering methodologies
    - Must list source of values
F. All other applicable data and supporting documentation used to calculate savings and/or assumptions
G. Any other documentation requested by Con Edison for calculation of savings
H. Equipment downsizing - Baseline Efficiency of the existing equipment will be calculated at the current demand load and will be compared against the proposed equipment's name plate/specification efficiencies.
    - Ex: If the output of the systems capacity is 360, but the demand is 300, then the efficiency of the existing equipment should be recognized as 80% capacity (300/360 = 80%), and not the existing equipment's nameplate specifications which are typically rated at 100% load.
    - The name plate specification on the proposed equipment will be used because it has been sized correctly for the intended process and represents operating at full load efficiencies.
        - Note: the normal replacement of existing equipment that does not comply with the extended life criteria will

Program documents and TRM are not explicit in requiring existing equipment to be lower than code to qualify for early replacement. However, this is the intent of this type of replacement.

Detailed guidelines for early replacement measure submission can be found in the custom measure guidelines reference documents at www.coned.com/largecommercial.

2.6.4 Extended Life-Custom

Energy efficiency upgrades for equipment that has surpassed its Effective Useful Life (EUL) are able to apply for

the Extended Life incentive. **In this category, the measure is eligible for maximum energy savings and incentives. Energy savings are based on the existing equipment efficiency and operating conditions.** Extended Life energy efficiency upgrades may be eligible for performance-based Custom incentives at the custom measure rate. Final custom measure eligibility, savings and incentives are determined at the sole discretion of Con Edison.

Projects applying for incentives using the Extended Life path are required to satisfy any measure eligibility criteria identified in other sections of this manual as applicable. For example, a project involving the installation of a new chiller must meet all the program eligibility requirements for chillers in addition to the requirements listed in this section.

In addition to required program documentation, all extended life projects must submit the following information:

A. Documented proof of existing equipment installation date (or age). Existing equipment must exceed its EUL by at least 25%.
    a. OR If the age of the existing equipment cannot be determined relative to 125% of its EUL, then existing equipment energy consumption must exceed that of the new high efficiency model by at least 35% for chillers, and 20% for all other measures to do the same amount of work.
B. The existing equipment must be fully functioning.
C. Documentation provided by customer showing significant repairs and/or component replacement to keep equipment in operation instead of replacing entire unit.
    a. It is required to provide at least 2 years of all repairs
    b. Maintenance records are not considered significant repairs
D. List of all proposed measures with related technical specifications
    a. Please provide a brief write-up of the existing equipment and its operation parameters
E. Calculated energy savings and cost of upgrading existing equipment to energy efficient equipment
    a. All calculations must be in unlocked spreadsheet (PDFs not accepted) with all equations, parameters and assumption values used to calculate savings
    b. All calculations must be clear and transparent utilizing standard engineering methodologies
    c. Must list source of values
F. All other applicable data and supporting documentation used to calculate savings and/or assumptions
G. Any other documentation requested by Con Edison for calculation savings
H. Program documents and TRM are not explicit in requiring existing equipment to be lower than code to qualify for extended life. However, this is the intent of this type of replacement.
I. Equipment downsizing - Baseline Efficiency of the existing equipment will be calculated at the current demand load and will be compared against the proposed equipment's name plate/specification efficiencies.
    a. Ex: If the output of the systems capacity is 360, but the demand is 300, then the efficiency of the existing equipment should be recognized as 80% capacity (300/360 = 80%), and not the existing equipment's nameplate specifications which are typically rated at 100% load.
    b. The name plate specification on the proposed equipment will be used because it has been sized correctly for the intended process and represents operating at full load efficiencies.
        i. Note: the normal replacement of existing equipment that does not comply with the extended life criteria will

Detailed guidelines for extended life measure submission can be found in the Custom Measure Guidelines reference documents at www.coned.com/largecommercial.

2.6.5 New Technology

The Program offers incentives for new or emerging technologies that may not be well categorized under existing eligible equipment detailed throughout this document. To qualify, projects classified as a new technology must adhere to all requirements for Custom projects and provide the following additional documentation:

A. Manufacturer claimed energy savings as a percentage range
B. Information on adoption by other utility energy efficiency programs (provide links or resources to verify)
C. Reliable 3rd party studies demonstrating energy savings potential
D. Product literature, such as diagrams, technical specifications, or videos showing how the product works
E. A full custom engineering energy savings analysis
F. Summer baseline metered or trended data
G. Documentation verifying an Effective Useful Life (EUL) of 7 years or more
H. Written warranty from the manufacturer or installer of at least 1 year from the date of installation, covering parts & labor for defects in materials and workmanship.

Projects must also provide any additional information requested by Con Edison. Projects are accepted based on a Con Edison review of the technology and may be approved, rejected, or requested to participate in additional measurement and verification (M&V) before being offered incentives. The approval of savings and incentives for new technologies is at the discretion of Con Edison and may be changed at any time.

New technology project may be eligible for the NWS Neighborhood Program Bonus pending network eligibility and M&V requirements.

3.0 Project Costs and Invoicing Requirements

When are Invoices Required

- Invoices must be submitted to the program for all projects that use custom calculations.
- All projects with Building Electrification measures require invoices.
- Invoices are not required for projects that use the New York State TRM to calculate energy savings. However, invoices may be requested at the discretion of the program and must be made available upon request.
- C&I projects using the following Program Tools and Calculators do not require invoices:
    - Electric Measure Tool
    - Elevator Modernization Estimator
    - Demand Control Ventilation Tool
    - Pipe Insulation Survey
    - Invoices may be requested at the Program's discretion. Projects submitted with all other Program Tools/Calculators require invoices.

Invoicing Requirements

Project costs submitted to the program are subject to Con Edison review and may be capped for incentive calculations at our sole discretion.

General Requirements

- Include references to the project, including project's address, and relate to the items listed in the scope of work that was approved by the program. Changes to approved scope of work must be submitted to the program team for approval
- Invoice Date
- Each line item must include a brief description. For example, include the equipment tag for an air handler as "AHU 13B", quantity and/or make and model number.
- In the event a custom project submitted for incentives is a portion of a larger scope, the customer will provide invoice(s) that clearly outline the specific project description and costs that is being applied to the project in the program.
- The final invoice provided must be the same invoice the customer receives and matches the certificate of completion. If the invoice amount does not match the certificate of completion, it should be made clear why the two don't match (e.g. the invoice includes ineligible costs)
- To be considered eligible, costs associated with projects must directly contribute to the physical implementation, installation, testing and/or commissioning of the submitted project.

Acceptable Documentation for Project Costs

- Invoices, AIA documents or progress payments are acceptable documentation for reporting project costs provided they include sufficient details.
- Contracts, budget estimates, purchase orders, job orders, and cost proposals are not accepted as substitutes for an invoice or progress payment. These documents do not serve as proof of paid installation costs. However, such documents can be used to support an invoice or progress payment that lacks sufficient detail—such as missing scope of work or project location—if the invoice can be clearly and directly mapped back to the original contract, estimate, or proposal.

Eligible Costs	Description
Startup Testing and Commissioning	Costs directly related to the initial testing and commissioning of equipment or systems to ensure they are functioning correctly and meet project specifications are eligible. This includes activities necessary to bring the system online and confirm operational readiness.
Mobilization	Costs incurred to prepare and transport labor, equipment, and materials to the project site are eligible. This may include site setup, temporary facilities, and initial deployment efforts necessary to begin work.
Equipment	Expenses related to the purchase or rental of equipment specifically required for the execution of the project are eligible, provided the equipment is used directly in support of the approved scope of work.
Material	Costs for materials that are installed or consumed as part of the project scope are eligible. This includes items permanently incorporated into the project or necessary for its completion.
Labor	Direct labor costs for personnel performing work within the approved scope of the project are eligible. This includes installation, testing, commissioning, and

	other hands-on activities necessary to complete the project. In-house labor costs are excluded.
Decommissioning and/or Demolition	Costs associated with the safe removal, disconnection, and disposal of existing equipment that is being replaced as part of the approved project scope are eligible. This includes activities necessary to ensure compliance with environmental and safety regulations.

The following costs are not eligible as they fall outside the scope of direct engineering implementation costs:

Ineligible Costs	Description
Design	All costs related to the initial design, conceptualization, or redesign of the project are excluded. These are considered "soft services" and are not eligible.
Permit	Permit Costs: Fees and expenses associated with obtaining permits from regulatory bodies are excluded as they are administrative in nature.
Project Management	Any costs related to overall program oversight, coordination, or general management. These are classified as administrative costs and are not eligible.
Warranty	Expenses incurred for warranties on equipment or services are excluded.
Separate Training	Costs for training sessions that are not an integral part of startup testing or commissioning. General training activities are excluded.
In-House Labor	Internal labor costs (e.g., salaried staff performing work outside of contracted services) are not eligible.
Shipping and Freight	Shipping and Freight: Costs associated with transporting materials or equipment to the site are not eligible unless explicitly included in the approved scope.
Taxes	Sales tax, use tax, and other tax-related charges are not eligible for reimbursement.

AIA Invoices

- AIA Invoices, or more accurately, AIA payment applications, are a standardized method of billing for work completed on a construction project. They are a form of "progress billing," which means contractors are paid as the work progresses rather than in one lump sum at the end.
- AIA-style invoices (such as G702/G703 forms) are commonly used in the construction industry. They are often used in gut renovation or major renovation projects where multiple building upgrades are being installed. These forms provide a standardized and detailed breakdown of work completed, stored materials, retainage, and payment due.
- Because of their structured format and industry recognition, AIA invoices may be accepted in lieu of traditional itemized invoices if they include sufficient detail to:
- Clearly associate the billed costs with the scope of work for the project under review.
- Identify the project location
- AIA invoice must include a continuation sheet with detailed schedule of values.
- AIA invoices that break down scope by broad categories or division/specification numbers are not

acceptable (e.g. Division 15 – Mechanical, Division 16 – Electrical).

4.0 Measurement & Verification (M&V)

Measurement and Verification (M&V) may be required for projects in which the technology or project has a high degree of savings uncertainty, is an unknown or unique application, or is comprised of a complex group of measures. The overall intent of M&V is to mitigate risk to the program by reporting more accurate savings through metering and data collection. It involves a more robust approach to measuring the energy conservation measure and its application. Project-specific M&V is triggered when a project meets any one of the following criteria:

- Projects with high incentives, ≥$1 million (inclusive of bonus amount, as applicable)
- Projects proposing to install new technologies
- Unique, complex, or risky applications as determined by the Con Edison team

The M&V approach will utilize various methods to obtain insights into energy conservation measures (ECMs), assess their application as well as their impact on savings. Due to the more rigorous analysis that an M&V project may be subject to, the project lifecycle may be extended compared to a typical project. Each M&V project will have a specific timeline developed, depending on the measure(s) being analyzed, that will be detailed in the M&V plan. The International Performance Measurement and Verification Protocol (IPMVP) provide options for assessment of the C&I program M&V projects:

IPMVP Options	Description	Definition	Savings Calculations
A	Retrofit-Isolation: Key Parameter Measurement	Measurement of a key parameter that defines energy consumption and demand of the ECM's affected system.	Calculation with baseline period energy and reporting period energy from measurements of key parameters and estimated values.
B	Retrofit-Isolation: All Parameter Measurement	Field measurement of the energy consumption or demand of related variables of the ECM affected system.	Calculation with baseline and reporting period energy or engineering computations using measurements of proxies of energy consumption and demand with routine or non-routine adjustments.
C	Whole Facility	Utility level measurement of whole facility consumption and demand.	Analysis of whole building baseline and reporting period meter data including routine and non- routine adjustments as required.
D	Calibrated Simulation	Simulation of energy consumption and demand with utility billing data.	Energy consumption and demand model calibrated with utility billing data.

The standard M&V process entails 3 different reviews that take place throughout a project's lifecycle including:

I. ***M&V Plan:*** This M&V plan outlines the necessary steps to perform the M&V on a project and includes a timeline for all milestones, the equipment necessary to acquire all data, a contingency plan if data is incorrect or unavailable, and other project specific material. After Con Edison review of the M&V plan is complete, the plan is provided to both the customer and the participating contractor, as applicable, for signatures. Once the M&V Plan is signed off, the Con Edison M&V team will proceed with the Pre-Installation Site Visit.

II. ***Pre-Installation M&V Report:*** The purpose of the Pre-Installation Site Visit and Pre- Installation M&V Report is to verify the existing conditions of the site, conduct interviews with site personnel on equipment and schedules, and determine what metering or measuring equipment will be necessary to capture all relevant energy data. After the Pre-Installation Site Visit is performed, Con Edison will provide a Pre-Installation Report detailing all site visit findings and revise the energy savings estimates based on these findings. In cases where logging and metering equipment have been deployed to determine the project baseline, a second site visit at the end of the baseline measuring period may be needed to remove the equipment. To adequately verify baseline conditions, project construction must not begin until after the associated M&V pre-installation site visit and data collection are completed.

III. ***Post-Installation Final M&V Report:*** Once the proposed equipment is installed, Con Edison will perform a post-installation site visit to verify equipment installation, ensure all phases of the project are complete and active, and collect any energy use data for the site. In certain cases, logging and metering equipment may be deployed to capture the post- installation energy use data. If metering is deployed, a second site visit will be performed at the end of the post-installation measuring period to remove the metering equipment. Once post-installation data has been collected and analyzed, Con Edison will prepare a Post- Installation Final-Report which will contain the verified savings for the measure(s) installed. Measures should be installed, inspected, and all data collected by the program installation deadline indicated in this manual to claim savings for the same program year. Final incentive is based on final estimated savings at the completion of all M&V activities.

For additional information regarding NWS M&V specifics for projects that also participate in the NWS Neighborhood Program Bonus, please see the NWS section of this document.

5.0 Quality Assurance Quality Control (QAQC)

In addition to Con Edison's routine process, a percentage of projects will be selected for QAQC activities, such as a secondary inspection or an additional engineering review. The goal of QAQC is to protect the program against fraud and provide actionable insights for program improvement and efficiency. QAQC is performed by a consultant on behalf of Con Edison. Projects may be selected randomly, irrespective of project size, savings, or incentive. QAQC activities are mandatory, and the applicant is expected to cooperate fully with any effort by Con Edison or its contractors and subcontractors to make follow-up visits to customer facilities, provide supporting documentation, and other requests in support of QAQC activities. If a project is selected for QAQC, a representative from Con Edison's contractor will reach out to a customer or contractor. If you have any questions about the QAQC process or are concerned about a project being delayed or behind schedule, please contact your Con Edison Business Development Manager or the Program Manager.

6.0 Program Evaluations

Con Edison contracts with independent evaluators to assess the effectiveness of Con Edison's programs through Program Evaluations. Evaluation activities may include on-site inspection, additional engineering review, phone interviews with operational staff, or measurement & verification. These evaluation activities ensure that the program is working as intended and drive program improvement and efficiency. Program Evaluations are infrequent, typically occur after projects are successfully installed in the program and sample a small number of program participants.

If a project is selected for Evaluation, a third-party evaluation contractor approved by Con Edison may contact you to discuss your project or to schedule a date and time for an on-site assessment. The data collected at your facility will help determine the effectiveness of the current program and assist in the design of future programs. All data collected from your site is confidential and will only be used to inform our internal decision making. Regardless of our findings, Program Evaluations will in no way affect your specific energy efficiency project, application, rebates, or service. If you have any questions about the Program Evaluation process, please contact your Con Edison Business Development Manager or the Program Manager.

7.0 Acronyms & Abbreviations

BAS: Building Automation Systems

COI: Certificate of Insurance

ECM: Energy Conservation Measure

EUL: Effective Useful Life

HVAC: Heating, Ventilation & Air Conditioning

M&V: Measurement & Verification

NTP: Notice to Proceed

NWS: Non-Wires Solutions Adder Incentive Program

NYSERDA: New York State Research and Development Authority

PC: Participating Contractor

PIOL: Preliminary Incentive Offer Letter (PIOL)

QAQC: Quality Assurance & Quality Control

SOW: Scope of Work

TRM: Technical Resource Manual

8.0 Glossary Acronyms & Abbreviations

Building Automation Systems: The BAS/BMS comprises both hardware and software that provides complete integration of a building's HVAC systems. The BAS/BMS can continuously and automatically monitor and through control of the HVAC mechanical and refrigeration systems—maintain desired ambient temperature, static pressure, relative humidity, indoor air quality, and energy management.

Certificate of Insurance: A Certificate of Insurance (COI) is a document that verifies the existence and specifics of an insurance policy, commonly used in business settings to show proof of coverage to third parties.

Custom Path: A project that includes custom measures. Custom measures are eligible measures that are not listed in the New York State Technical Resource Manual (TRM). Custom calculations are required to determine the amount of energy saving and incentive amount.

Effective Useful Life: How long an energy efficiency measure is expected to remain effective before it needs to be replaced.

Eligible Customer: Con Edison customer who has a commercial account for an existing commercial building with an average demand greater than 100K kW for electric or eligible gas account.

Energy Conservation Measure: A technology or control strategy implemented to reduce energy consumption in a building or facility.

Heating, Ventilation & Air Conditioning: HVAC is an integrated system or set of systems designed to control the temperature, humidity, airflow, and air quality within indoor spaces.

Incentive Cap: The maximum incentive an energy efficiency measure or project is eligible to receive through the Commercial and Industrial Energy Efficiency Program.

Measurement & Verification: A process used to quantify the energy savings resulting from energy conservation measures (ECMs). M&V is employed when projects involve high uncertainty in savings, new or unique technologies, or complex implementations. Its primary goal is to reduce program risk by providing accurate savings estimates through detailed metering and data collection.

New York State Research and Development Authority: A New York State public-benefit corporation established in 1975. NYSERDA offers objective information and analysis, innovative programs, technical expertise, and support to help New Yorkers increase energy efficiency, save money, use renewable energy, and reduce reliance on fossil fuels.

Non-Wires Solutions (NWS) Adder Incentive Program: Con Edison's NWS program offers incentives for energy efficiency, storage, and advanced technologies in select neighborhoods to defer traditional infrastructure upgrades and enhance electric system reliability.

Notice to Proceed: A document providing project savings and incentives issued by the Program Administrators that triggers the start of work on a project. Any work started before the Notice to Proceed will not qualify for incentives.

On-site Inspections: A pre- or post-installation inspection that is done in-person by a Con Edison Inspector.

Participating Contractor: An approved contractor that will install or facilitate the installation of energy efficiency measures through the project. Participating Contractors must be approved by the Program and may accept incentive payments on behalf of the customer.

Post Inspection: The program administrators will inspect the condition of the site after the completion of the project.

Preliminary Incentive Offer Letter: Issued after the technical review is complete. The PIOL includes an incentive offer, energy savings and date range for which the offer is eligible. The PIOL must be signed by the customer and returned to the program within 30 days.

Prescriptive Path: A project that includes prescriptive measures only. Prescriptive measures are those listed in the New York State Technical Resource Manual (TRM) and have set incentives.

Scope of Work: A detailed description and explanation of the work performed as part of a contractor or subcontract. It defines project-specific activities, deliverables, and timelines for a vendor providing services to a client.

Technical Resource Manual: The New York standard approach for estimating energy savings from energy efficiency programs (Residential, Multifamily, and Commercial & Industrial). The TRM provides a standardized, fair, and transparent approach for measuring program energy savings across New York State's energy efficiency

Quality Assurance & Quality Control: A mandatory process involving inspections and/or reviews to prevent fraud and improve program performance. Conducted by Con Edison consultants, it requires full applicant cooperation.

9.0 Terms and Conditions

ELIGIBILITY: Consolidated Edison Company of New York, Inc.'s (Con Edison's) Commercial and Industrial Efficiency Program offers incentives to directly metered electric and gas nonresidential customers in good standing and as described in the Program Manual. Incentives are available to property owner/lease holder (tenant)/property manager for the purchase and installation of energy-efficiency measures at the location where the qualifying project is to be installed. Con Edison will not offer financial incentives for the same eligible measure to those customers who have received financial incentives or rebates from the New York State Energy Research and Development Authority (NYSERDA) and/or another electric or gas utility company. Accordingly, customer represents and warrants to, and covenants and agrees with, Con Edison that it has not received and will not receive any financial incentive or rebate from any other person or entity with respect to the measure(s) identified in this Application and in any Preliminary Incentive Offer or Notice to Proceed issued by Con Edison in connection herewith.

QUALIFYING PROJECTS: Qualifying projects are projects eligible for program incentives that include electric or gas energy-efficiency measures identified as eligible and site-specific custom energy-efficiency measures approved by Con Edison. Qualifying projects do not include any electric or gas energy-efficiency measures or energy-efficiency equipment or services purchased, contracted for, or installed prior to the date of Con Edison's Preliminary Incentive Offer, the date of any required pre-installation inspection or the date of customer's receipt of a Notice to Proceed. **FINANCIAL INCENTIVES**: The basis for determining the amount of the financial incentive for which qualifying projects are eligible are set forth in the New York Standard Approach for Estimating Energy Savings from Energy Efficiency Measures in Commercial and Industrial Programs, as in effect from time to time. Con Edison's determination of incentive amounts is final. **APPLICATION AND WORKSHEETS**: Eligible customers must submit completed applications and other required documentation as described elsewhere in this application for all proposed qualifying projects. Electronic signatures will have the same force and effect as original signatures.

APPLICATION REVIEW AND INSPECTION: Con Edison will review all applications and accompanying documentation for eligibility, completeness, and accuracy. As part of this review, Con Edison may conduct an on-site inspection of a facility's existing equipment and systems. After completing review of the application and determination of eligibility, Con Edison will send a Preliminary Incentive Offer to each qualifying customer accepted for the program, specifying the estimated incentive amount. The customer must sign and return the Preliminary Incentive Offer that includes an estimated project end date. If any proposed project does not meet program requirements, Con Edison will notify the customer that its Preliminary Incentive Offer has been rejected. To be eligible for an incentive, a customer must receive and counter-sign a Notice to Proceed from Con Edison, and any required pre-installation inspection must be completed, before customer orders, purchases, or installs qualifying equipment. Con Edison reserves the right to reject any estimates. Customer understands that the estimated incentive amount identified in any Notice to Proceed is an estimate only and may not reflect the actual amount payable to customer upon completion of a qualifying project.

INSTALLATION TIME LIMITS: Installation time limits will be stated in the Notice to Proceed. Any changes to specified time limits must be requested in writing and agreed to by Con Edison in writing. Failure to meet approved deadlines may result in denial of incentive payments. Con Edison may elect to conduct pre- and/or post-installation inspections.

FINAL INSPECTION AND INCENTIVE PAYMENT: When installation is completed, customers must notify Con Edison in writing and submit invoices specifying the quantity and cost of all materials purchased and installed, the date ordered, the date purchased, the date delivered, installation costs, and applicable taxes. Con Edison, in its sole discretion, may schedule and conduct a post-installation inspection. The actual incentive amount will be determined based upon the inspection and may vary from original estimates. Incentive checks will be sent approximately six weeks after receipt of all proper invoices and verification of all installations. Checks will be payable directly to the Con Edison account holder unless otherwise indicated in the Payee Authorization section of this application. Customer agrees that Con Edison may provide customer information including customer name, account number, electric and/or gas consumption data, and electric and/or gas energy savings to its third-party evaluation contractor for program evaluation purposes. The evaluation contractor will keep customer information confidential. Customer information may also be provided to the New York State Public Service Commission. Any customer information provided to the New York State Public Service Commission will be aggregated with information about other customers and not personally identifiable.

TAX LIABILITY and CREDITS: Con Edison is not responsible for any taxes which may be imposed on the customer or business as a result of projects installed under this program. The incentive check recipient may want to consult a tax advisor about any tax consequences

of this offer. The incentive check recipient must provide a valid federal tax ID number and a W-9 form.

REMOVAL of EQUIPMENT: The applicant agrees, as a condition of participation in the program, to remove and dispose at its sole cost and expense any and all equipment or materials that are replaced or removed in accordance with all applicable laws, rules, and regulations.

DISPUTES: Con Edison will have sole discretion to decide on the final resolution of any issues including but not limited to energy savings, projects, eligibility, or incentives.

PROGRAM CHANGES: Con Edison reserves the right to change, modify, or terminate this program at any time without any liability except as expressly stated herein. Con Edison will honor all written commitments made in the Notice to Proceed sent to customers prior to the date of any change, modification or termination of this program, provided that project installations are fully completed within the time specified in the Preliminary Incentive Offer and Notice to Proceed.

PROGRAM EXPIRATION: This program will expire ***December 31, 2026,*** when funds are depleted, or when the program is terminated, whichever occurs first or as determined by program management.

DISCLAIMER: Customer acknowledges and agrees that Con Edison shall not be liable to customer or any other person or entity in connection with any qualifying project undertaken by customer, including in connection with Con Edison's review or approval of this application and/or worksheets. Con Edison makes no representation or warranty, and undertakes no responsibility whatsoever concerning the adequacy of any project design or plan, any construction or installation work, the completion of any project or the performance of any energy efficiency measures or equipment. To the fullest extent permitted by law, customer, on behalf of itself and any other person or entity claiming by and through customer, hereby irrevocably and unconditionally releases and forever discharges, and agrees to defend, indemnify, and hold harmless Con Edison, its affiliates, and their respective past, present and future officers, directors, trustees, stockholders, employees, agents, representatives, successors and assigns, from any and all claims, charges, complaints, causes of action, damages, losses, agreements and liabilities of any kind or nature arising from the design, installation or performance of any energy efficiency measure or equipment purchased or installed in connection with the program (including without limitation, claims for personal injury, death or property damage) or related to energy costs incurred by customer, including, without limitation, attorneys' fees, court costs and costs of experts. Accordingly, Con Edison, its representatives recommend that all customers consider engaging qualified engineers or other qualified consultants to evaluate the risks and benefits, if any, of such implementation and use on energy consumption, cost savings, or operation of customers' facilities.

INSTALLATION REQUIREMENTS: Customer assumes sole responsibility for installation work. Customer acknowledges that all work must be in full compliance with the requirements of applicable laws, rules, and regulations of authorities having governmental and regulatory jurisdiction.

MASTER CASE ID: Projects with increased electric usage (such as fuel switching or building electrification) to existing facilities should have a case (MCID) created on the project center site for review by Con Edison Energy Services.