SC 1 Rate IV

An Optional Demand-Based Rate for Residential Customers
Overview

Optional, Demand-Based Rate
Demand-based delivery charges with peak & off-peak hours of noon to 8 p.m.
Peak hours apply to both delivery and supply charges*

Established in Case 19-E-0065 (Feb 2020)
Originally available to all residential heat-pump customers, but capped at 5,000 non-heat-pump customers
Case 22-E-0064 eliminated the cap

Potentially beneficial to customers with Heat Pumps
Higher customer charge with a lower price per kW
When left at a single temperature setting, heat pumps use energy consistently, which results in better load factors

One-Year Price Guarantee Makes it Risk Free to Try the SPP
500 residential GSHP customers and 500 residential ASHP customers who heat and cool their homes with heat pumps receive a one-year price guarantee, administered at the conclusion of their 12th month on the Plan

* For full-service customers only. Peak hours do not apply to supply charges for Retail Choice customers.
Customer Engagement

Winter 2022 Email Campaign
Sent to 3,000 new heat-pump customers who were determined to be good candidates for the Select Pricing Plan

Fall 2023 Webinar
The Select Pricing Plan was presented in October 2023 as part of a webinar hosted by NY GEO
September 2023

1. Heat Pump Contractor Email
   - Sent to contractors operating in the Con Edison service territory

2. Heat Pump Customer Email
   - Sent to over 5,000 customers with air-source or geothermal heat pumps

3. Heat Pump Customer Postcard
   - Sent to over 5,000 customers with air-source or geothermal heat pumps
Customer Enrollment

253 Customers Currently Enrolled*

Currently Enrolled Customers
(By Heat Pump Ownership)

- Air-Source HP: 114
- Geothermal HP: 28
- No HP: 111

* Through 12/31/23 reporting period.
Bill Impacts

Percentage of Savers (By Heat Pump Ownership)

- Air-Source HP: 83.2%
- Geothermal HP: 88.0%

Westchester: 88.9%
Manhattan: 88.2%
Staten Island: 86.7%
The Bronx: 100%
Queens: 85.7%
Brooklyn: 77.8%

* Through 12/31/23 reporting period.
** Borough breakout includes all customers, HP and non-HP, enrolled in SC1 Rate IV.
Bill Impacts

Average Monthly Bill
(By Heat Pump Ownership)

<table>
<thead>
<tr>
<th>Heat Pump Ownership</th>
<th>Average Monthly Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air-Source HP</td>
<td>$233</td>
</tr>
<tr>
<td>Geothermal HP</td>
<td>$360</td>
</tr>
</tbody>
</table>

Average Monthly Savings
(By Heat Pump Ownership)

<table>
<thead>
<tr>
<th>Heat Pump Ownership</th>
<th>Average Monthly Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air-Source HP</td>
<td>12.6%</td>
</tr>
<tr>
<td>Geothermal HP</td>
<td>20.6%</td>
</tr>
</tbody>
</table>

* Through 12/31/23 reporting period.
Q&A For More...

The Select Pricing Plan

SelectPricingPlan@conEd.com
SC 1 Rate IV

Customer Bill Impact Assessment
SC1 Rate IV Bill Impact Assessment: Overall Findings

- **R4** is most beneficial* to air source heat pump and ground source heat pump customers. Least beneficial for solar net metering customers.
- The amount of savings switching to R4 from other rates is dependent on the season (summer vs. non-summer).
- The differences in supply charges among the rate options do not have a significant impact on whether a customer group will do well on the rate.
- The higher a customer’s load factor, the more likely a customer will benefit from a switch to R4.

*highest savings for greatest number of customers

**SC1 Rate IV Bill Impact Assessment Results: Load Factor Definition**

Load Factor Definition:

\[
LF = \frac{\text{Average Load}}{\text{Peak Load}}
\]

**Low Load Factor Customer**
- Peak Demand = 2.3kW
- Volume = 20 kWh

**High Load Factor Customer**
- Peak Demand = 2.3kW
- Volume = 50 kWh
Control, ASHP, and GSHP average bills are lowest at R4, compared to R1 or R3.

<table>
<thead>
<tr>
<th></th>
<th>From R1</th>
<th>From R3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control</td>
<td>58.3%</td>
<td>63.4%</td>
</tr>
<tr>
<td>EV</td>
<td>67.5%</td>
<td>31.8%</td>
</tr>
<tr>
<td>ASHP</td>
<td>80.1%</td>
<td>65.5%</td>
</tr>
<tr>
<td>GSHP</td>
<td>88.9%</td>
<td>72.2%</td>
</tr>
<tr>
<td>PV</td>
<td>12.3%</td>
<td>8.3%</td>
</tr>
</tbody>
</table>
SC1 Rate IV Bill Impact Assessment: Link to Report

Appendix

Customer Bill Impact Assessment
## SC1 Rate IV Bill Impact Assessment: Rate Options

<table>
<thead>
<tr>
<th>SC1 Rate I (&quot;R1&quot;)</th>
<th>SC1 Rate III (&quot;R3&quot;)**</th>
<th>SC1 Rate IV (&quot;R4&quot;)***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge:</td>
<td>Customer Charge:</td>
<td>Customer Charge:</td>
</tr>
<tr>
<td></td>
<td>$18</td>
<td>$28</td>
</tr>
<tr>
<td>Delivery Charges (¢/kWh):</td>
<td>14.116</td>
<td>Delivery Charges (¢/kWh):</td>
</tr>
<tr>
<td>Summer* &gt;250kWh:</td>
<td>16.228</td>
<td>Off Peak: 2.18</td>
</tr>
<tr>
<td>Supply Charges (¢/kWh):</td>
<td>Not TOU</td>
<td>Peak NonSummer 11.43</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Peak Summer: 30.88</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supply Charges (¢/kWh):</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOU + Super Peak in Summer</td>
</tr>
</tbody>
</table>

* Summer for all rates refers to June through September
** R3 peak hours are from 8am to midnight all days and super peak hours are from 2pm to 6pm weekdays
*** R4 peak hours are from noon to 8pm on weekdays except holidays
### SC1 Rate IV Bill Impact Assessment: Sample

<table>
<thead>
<tr>
<th>Source</th>
<th>Control</th>
<th>EV</th>
<th>ASHP</th>
<th>GSHP</th>
<th>PV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22-E-0064 Demand Analysis</td>
<td>Self Reported</td>
<td>Clean Heat Program</td>
<td>Clean Heat Program</td>
<td>Random Sample</td>
</tr>
<tr>
<td>Sample Size</td>
<td>1,157</td>
<td>425</td>
<td>1,220</td>
<td>18</td>
<td>1,159</td>
</tr>
<tr>
<td>Average Load Factor</td>
<td>0.22</td>
<td>0.15</td>
<td>0.23</td>
<td>0.23</td>
<td>0.03</td>
</tr>
<tr>
<td>Average Monthly Usage (kWh)</td>
<td>973</td>
<td>1,108</td>
<td>867</td>
<td>1,942</td>
<td>202</td>
</tr>
<tr>
<td>Average Monthly Summer Usage (kWh)</td>
<td>1,177</td>
<td>1,251</td>
<td>714</td>
<td>1,692</td>
<td>253</td>
</tr>
<tr>
<td>Average Monthly Non Summer Usage (kWh)</td>
<td>871</td>
<td>1,037</td>
<td>944</td>
<td>2,067</td>
<td>177</td>
</tr>
</tbody>
</table>
SC1 Rate IV Bill Impact Assessment Results: Bill Impact and Load Factor

• For all groups, except PV:
  • Relatively higher correlation between customer load factor and savings on R4, than the correlation between customer usage and savings on R4
  • The higher the load factor, the more likely a customer will save switching to R4 from either R1 or R3
SC1 Rate IV Bill Impact Assessment Results: Bill Impact and Load Factor

Customers with the highest load factors are more likely to save with a switch to R4.

Average 12-Month Load Factors Each Customer Group, the Savers, and NonSavers per Rate Class Switch
SC1 Rate IV Bill Impact Assessment Results: Bill Impact and Load Factor

Customers with the highest load factors are more likely to save with a switch to R4.