

Energy Efficiency Panel

Exhibit__(EEP-1)

List of Information Requests

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Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS7
Date of Response: 01/23/2008
Responding Witness: Wheeler

Question No. :67

Subject: Steam Energy Efficiency Program - Please provide more detail about the steam energy efficiency program described on pages 14 – 16 of your testimony. Please include the following:
a. A description of how you established the annual program goals, b. A description of how you established the proposed customer incentives, c. A description of how you will determine the eligibility of auditors, d. The standards that you will apply for approval of a proposed scope of work, e. The basis for setting the \$80,000 per facility customer cap, f. Plan for verifying that approved measures are installed, g. The basis for the estimated 60 participating customer sites, h. Time period within which you expect to enroll the 60 sites, i. A description of your marketing plan including its budget and staffing levels. Please include the qualifications of the marketing staff, j. Breakdown of the per-year administrative costs shown in Exhibit_(PW_2B) for RY1, RY2 and RY3, k. Reason for the forecasted \$0. consumption and demand savings during RY1 (see Exhibit PW_2B), l. Portion of the total SBD resources that will be dedicated to steam efficiency expressed in total dollars and percentage.

Response:

a. The annual targeted steam consumption savings ramp up with each year. The following assumptions drive the conclusion that cumulative steam savings will increase progressively, not at a constant rate, with each year:

- The marketing effort to advertise the program will be fully developed several months into the first rate year
- Customers will hesitate before committing
- It will take time to install the measures, realizing the actual savings after the measures have been installed. The amount of installation time will vary depending on the measure.

b. In establishing the proposed customer incentives, the following were the goals:

- Customers will share in the cost of the measures, as reflected in the rule that the customer will not receive more than 50% of the incurred installation cost.

- Program funding will not be expended on a few very large customers, as reflected in the rule that imposes a facility cap.
 - The program will pass the Total Resource Cost Test as reflected by imposing the incentive limit of \$24/annual Mlb saved.
- c. The auditors hired by the customers will not necessarily be selected by the Company.
- d. Before approving the auditor's scope of work, we will undertake the following activities:
- Perform a site pre-inspection to ensure that the measures are not already in place. If necessary, the Company will hire a steam trap contractor to test some of the traps listed for replacement in the audit report to demonstrate the need for replacement.
 - Review the calculation assumptions to ensure that they match the field conditions and that the reference data used is from industry sources.
- e. The average estimated consumption savings using the data from nine heating-only customer site-specific reports is 3,400 Mlb/year per customer. The total targeted program savings are 220,000 Mlb/year. Hence, assuming that the average participating customer will save 3,400 Mlb/year, about 60 customers will be required to reach the target. If the total estimated customer incentive is \$5.3 million, the average incentive spending to each customer will be about \$88,000. This was rounded down to the nearest 10,000 to get \$80,000.
- f. Upon completion of the installation, a member of the SBD group will perform a post-inspection. Checklist of the measures will be completed as part of the post-inspection and the saved Mlb for each measure will be entered into a database.
- g. See response to "e."
- h. Incentive payment to customers will be contingent on the requirement that the customer issues the notice of installation completion by the end of Rate Year 3 (September 30, 2011).
- i. We plan to use our Steam Business Development (SBD) staff of nine professionals to market the program. These individuals consist of engineering and marketing experts. The communication vehicles will include face-to-face meetings, brochures, direct marketing, and print advertisements in trade publications. No additional funds are allocated for marketing, as the proposed SBD budget is expected to be sufficient.
- j. The annual administrative costs of \$35,000 could include such items as software development, trade publication subscriptions and reference materials, market research, and temporary clerical support.
- k. In rate year 1, the program will be marketed, customers will arrange for audits, the audits will be reviewed, agreements will be executed, and materials will be ordered and installed. We don't

expect all of these steps to be concluded until the end of rate year 1, resulting in the initial reductions in rate year 2.

1. Approximately 15% of the SBD resources will be dedicated to the steam efficiency program. This is the equivalent of one member in the SBD staff involved full time with the program, plus marketing expenses.

Case: 07-S-1315

Response to DPS Interrogatories – Set DPS7
Date of Response: 01/23/2008
Responding Witness: Wheeler

Question No. :69

Subject: Steam Energy Efficiency Program - With reference to page 6 of your testimony: 1. When were the demand reduction techniques posted on your website? 2. For the past twelve months, please provide a month by month breakdown of numbers of visitors to the following pages: - Knowledge center: reducing on-peak steam demand and - Knowledge center: steam conservation & safety

Response:

The demand reduction techniques were originally posted in June 2006. They were refined after the Company concluded the pilot General Voluntary Demand Reduction Program in the spring of 2007.

- #1 – Knowledge center: reducing on-peak steam demand and
- #2 – Knowledge center: steam conservation & safety

Steam Operations Web site: January – December 2007

Month	#1 (hits)	#2 (hits)
January	24	44
February	17	37
March	26	44
April	18	52
May	7	42
June	23	40
July	71	485
August	21	82
September	19	86
October	78	130
November	36	134
December	23	40

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS7
Date of Response: 01/23/2008
Responding Witness: Wheeler

Question No. :70

Subject: Steam Energy Efficiency Program - With reference to page 8 of your testimony. Please report the progress to date on the “project to determine how steam condensate reuse could be used by customers.” Please indicate when your findings will be available.

Response:

We have identified and executed agreements with two customers who are already reusing condensate – a residential and a commercial customer. The residential customer is recovering heat from condensate to preheat its domestic hot water. The commercial customer is preheating its domestic water using condensate and also reusing its condensate for cooling tower make up. The sensors have been installed at both customer locations and data acquisition has initiated. Data will be collected for at least 12 months with the intent to quantify water and steam savings in each location. We expect to have the findings ready from both sites in March 2009.

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS7
Date of Response: 01/23/2008
Responding Witness: Wheeler

Question No. :72

Subject: Steam Energy Efficiency Program - See page 4 of the steam operations report entitled “Steam Use Efficiency and Demand Reduction” referred to on page 6 of your testimony. Please provide the schedule (time, date, location, agenda) for the past twelve months for each of the free monthly seminars on efficient steam use that you have offered to customers. Please provide the number of customers who have participated in each seminar.

Response:

Customer Seminar: Steam Safety, Efficiency, and Maintenance
At The Learning Center 43-82 Vernon Boulevard, L.I.C. NY
7:30 a.m.-Noon.

STEAM SEMINAR ATTENDEES 2007	
	Participants Attended
Jan/Feb	No Seminars Held as course content was being revised.
March 14	14
April 11	13
May 16	9
June 20	6
July/Aug	No Seminars Held
September 5	8
October 24	22
November 21	4
December 12	8
Totals:	84

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS8
Date of Response: 01/30/2008
Responding Witness: Wheeler

Question No. :118

Subject: Condensate Heat Recovery Program - Please provide more detail about the condensate heat recovery program described on pages 16 – 18 of your testimony. Please include the following: a. An explanation of how you established the annual program goals, b. An explanation of how you established the proposed customer incentives , c. Your schedule for issuing the RFP, d. Your plans to publicize the RFP, e. The process you will use to evaluate customer proposals, f. The time period within which you will enroll the estimated 40 sites, g. The basis for setting the \$60,000 per-facility customer cap and why you believe it will give customers an adequate incentive to invest in heat exchangers. h. Support for your assumption that customers' net out of pocket costs will be equal to the facility cap. i. Subsidiary elements comprising the annual \$17,403 administrative costs, j. Plan for verifying that approved measures are installed, k. A description of your marketing plan including its budget and staffing levels. Please include the qualifications of the marketing staff.

Response:

a. We estimate that 50% of the SC 2 and SC 3 customers do not yet recover heat from condensate. To develop the projected aggregate annual steam savings target, it was estimated that 15% of these customers will agree to participate. The annual targeted steam consumption savings ramp up with each year. The following assumptions drive the conclusion that cumulative steam savings will increase progressively, not at a constant rate, with each year:
-- The marketing effort to advertise the program will be fully developed several months into the first rate year
-- Customers will hesitate before committing
-- It will take time to install the measures, realizing the actual savings after the measures have been installed. The amount of installation time will vary depending on site conditions.

b. In establishing the proposed customer incentives, the following were the goals:
-- Customers will share in the cost of the measures, as reflected in the rule that the customer will not receive more than 50% of the incurred installation cost.

-- Program funding will not be expended on a few very large customers, as reflected in the rule that imposes a facility cap.

-- The program will pass the Total Resource Cost Test as reflected by imposing the incentive limit of \$41/annual Mlb saved.

c. We expect that the RFP will be ready by December 31, 2008.

d. The RFP will be posted on our Web site, distributed to customers via e-mail, and distributed at various conferences and customer meetings.

e. Proposals will be reviewed for feasibility and ease of installation. If the proposal is deemed acceptable, a pre-installation inspection will be scheduled. Otherwise, comments will be forwarded to the customer for clarification.

f. Incentive payment to customers will be contingent on the requirement that the customer passes the post-inspection by the Company by the end of rate year 3 (September 30, 2011).

g. The average estimated consumption savings using the data from five heating-only customer site-specific reports is 1,550 Mlb/year per customer. The total targeted program savings are 64,000 Mlb/year. Hence, assuming that the average participating customer will save 1,550 Mlb/year, about 40 customers will be required to reach the target. If the total estimated customer incentive is \$2.6 million, the average incentive spending to each customer will be about \$65,000. This was rounded down to the nearest 10,000 to get \$60,000. This facility cap should be sufficient for the average customer, as it is roughly 50% of the installation cost for that customer. Even for larger customers, this incentive represents a significant portion of the installation cost. Coupled with inherent steam savings, this incentive should be appealing to any customer. The bigger challenge may be identifying space for the equipment.

h. As discussed in part "g", for an average customer, \$60,000 is roughly 50% of the total installation cost.

i. The annual administrative costs of \$17,000 could include such items as software development, trade publication subscriptions and reference materials, and temporary clerical support.

j. Upon completion of the installation, a member of the SBD group will perform a post-inspection. If the system is deemed operable, the incentive payment will then be issued to the customer.

k. We plan to use our Steam Business Development (SBD) staff of nine professionals to market the program. These individuals consist of engineering and marketing experts. The communication vehicles will include face-to-face meetings, brochures, direct marketing, and print advertisements in trade publications. No additional funds are allocated for marketing, as the proposed SBD budget is sufficient.

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS8
Date of Response: 01/24/2008
Responding Witness: Wheeler

Question No. :119

Subject: Steam Operations Best Practices Report - See pages 39-40 of the steam operations report entitled “Steam Use Efficiency and Demand Reduction” referred to on page 6 of your testimony. Please extrapolate from your audit sample results or provide actual numbers of customers who would qualify for and benefit from each of the energy efficiency and demand reduction measures listed in the economics summary. Please show these results in order of priority, giving those estimated to yield a “very high” return on investment top priority, followed by those that might yield “high” returns, those that yield “moderate” returns, and those that yield “low” returns. Please indicate which of these measures will be eligible for incentives under your energy efficiency and demand reduction proposals. Please describe your plans to promote these measures among your customers.

Response:

The Steam Business Development (SBD) group arranged for a consultant to perform energy audits for 30 selected customers for both the heating and cooling periods. A site-specific audit report was prepared and sent to each participating customer. The Company also prepared a “Steam Use Efficiency and Demand Reduction Best Practices Report.” The report was placed on the Company’s Web site and steam customers were notified about the report via e-mail and letters. SBD will distribute the report to customers and interested parties at various meeting, conferences, and seminars. The purpose of the report was not to serve as a basis for estimating market potential for the steam energy efficiency and demand reduction programs.

Any steam customer could potentially qualify for and benefit from some of the energy efficiency measures listed in the economics summary of the best practices report. The condensate reuse incentives are only available to SC-2 and SC-3 customers. Only demand-billed customers (approximately 290 accounts) could potentially benefit from the demand reduction measures.

The audit reports prepared and submitted under these programs will document the energy savings from each measure proposed. Therefore, all measures, other than BMS installations (see

Company response to DPS-71, item #4), could potentially be eligible for incentives under the energy efficiency and demand reduction programs.

To promote the measures, the best practices report was placed on the Company's Web site and steam customers were notified about the report via e-mail and letters. SBD will distribute the report to customers and interested parties at various meetings, conferences, and seminars.

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS14
Date of Response: 02/14/2008
Responding Witness: Wheeler

Question No. :171

Subject: Energy Efficiency and Demand Reduction Program Incentives - Under each of the proposals made in your testimony for Steam Energy Efficiency and Demand Reduction Programs, what would be the consequences for Con Edison experience for its failure to meet the targets?

Response:

If Con Edison does not meet its targets under the Steam Energy Efficiency and Condensate Heat Recovery programs, it would earn a lower incentive than it could otherwise have earned. It should be noted that whether the targets are met depend on customers' decisions to install the measures. Con Edison can and proposes to educate customers and provide incentives, but it cannot force customers to install energy efficiency measures. The Company accordingly disagrees that if a target is not met it is due to some Company "failure."

There are no incentives proposed for the Steam Demand Reduction Program. Accordingly, if customers do not submit proposals for demand reduction or implement proposals that have been submitted and accepted, there are no missed incentive opportunities and no "failure" for which there should be other consequences to the Company.

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS17
Date of Response: 02/19/2008
Responding Witness: Wheeler

Question No. :190

Subject: Steam Energy Efficiency Program – Follow-up to Question No. 69 - During the first six months of 2007, visits to the knowledge center steam conservation and safety page of your web site averaged 43 per month. In July 2007 the same page received 485 visits; to what does the Company attribute this increase?

Response:

This was due to very heavy customer usage all over our Web site because of the steam pipe rupture that occurred on July 18, 2007.

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to DPS Interrogatories – Set DPS17
Date of Response: 02/20/2008
Responding Witness: Wheeler

Question No. :191

Subject: Energy Efficiency – Steam Web Page - 1. How many customers have registered on your website steam page to receive news alerts. 2. Please provide copies of the steam-related news alerts you have distributed during the most recent 12 months. 3. How many customers have taken the steam survey posted on the Company’s steam web page? What are the cumulative results?

Response:

1. No customers have filled out the application for news alerts. They are able to access important news items on the Home Page under the headlines of “Latest News” and “Important Information about Steam.” Our Web site address is: www.coned.com/steam.
2. The following information has been posted on our Web site for customers over the past 12 months:

- Steam Use Efficiency and Demand Reduction Best Practices Report
- Demand Billing Information for Steam Customers
- Steam Business Development's Seminar "Energy Efficiency: Challenges & Solutions" presented at the Cooperator & Condo Expo (April 25, 2007)
- Negotiated Fuel Cost Program for the Winter
- “Building on Steam” Seminar (May 2, 2007)
- Fall 2007 Steam Seminar (October 11, 2007)
- Information about Hybrid Cooling Using Steam
- How to Apply for New or Modified Steam Service
- Free Customer Seminars: Steam Safety, Efficiency, and Maintenance
- An Important Message for our Steam Customers about Cold Weather Steam Management
- Summary of "Statement of Fuel Adjustment"
- A Safety Message for our Steam Customers
- Con Edison Steam Operations Wins the 2007 IDEA System of the Year Award

All of this information can be found on our Web site at www.coned.com/steam.

3. Over the past two years, customers have not taken the steam survey that was posted on the Web site. During this period, we have used a “Customer Building Data Sheet” to gather information about customers’ energy equipment and building characteristics. This information is entered into the account management system.

Company Name: Con Edison
Case Description: Steam Rate Filing
Case: 07-S-1315

Response to NYC Interrogatories – Set City3
Date of Response: 02/04/2008
Responding Witness: Wheeler

Question No.:73

Please provide all workpapers or supporting calculations used to derive or calculate Exhibits (PW-2B).

Response:

See attached.