

New York State - Energy Efficiency Portfolio Standard
Working Group 2 – Program Summaries

Program Name: Residential Oil to Natural Gas Conversion Program

Working Group Contact: Lou Cedrone

Administering Entity: Con Edison

Targeted Sector: 1-4 & 5-25 Dwelling Units

Funding years	Funding Source	Total Budget (Millions)	Cumulative Funds Spent (Millions)	Current Annual Expenditures (Year Millions)			Total Resource Cost (TRC) Results*
					# of Conversions	Annual DTHs	
3 Years (as per gas rate case)	Cost Recovered	Annual budget of \$1.47 million split with Customized Program	n/a	Budget has been exhausted	2200	660,000	n/a

* Or similar measure performance (e.g. TMET). Include description of cost test(s), identify if the analysis is retrospective or prospective and include any reference or links to on-line documents on evaluation as appropriate.

Program Description (include links to on-line documents as appropriate):

The residential oil to natural gas conversion program provides incentives to customers who are "service adequate" for switching over from oil heating to gas heating. Incentives are provided in the form of either equipment incentives or rebates. Please access link for details

<http://www.coned.com/escos/documents/GTOP%20-%20APPENDIX%20B.pdf>

Relationship to Staff Preliminary Proposal:

The gas conversion program results in a reduction in CO2 and other emissions. The program also provides a platform to cross sell electric, and higher gas efficiency equipment. The program was approved as part of the gas rate case (Case 06-G-1332)

Current status (include statement on where this program is in its life cycle/MT timeline, current trends, projections, whether the program is over/under/fully subscribed, customers served)

This program serves customers with 1-4 dwelling and 5-25 dwelling units.

Con Edison is marketing and increasing participation in oil to gas conversions through direct mail and email campaigns. The campaign also has developed a trade ally program of contractors as an outside sales force to implement conversions .

Barriers, challenges, gaps:

"Service Adequate" (customer must have a service presently entering the property and the service must be presently adequate to support the heating load) requirement limits market potential.

Ramp-up potential, limitations, where help is needed to fulfill potential:

We have an extensive Trade Ally program promoting conversions to customers. Build up of contractors required in Westchester and in the 5-25 multi-family segments, where there is a large potential for gas heating conversions., About 50% of the total Con Edison 1 to4 and 5 to 25 market is not using gas heating.

Co-benefits (e.g. environmental, health & safety, economic development):

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Increased efficiency of boilers at time of gas conversion. Old boilers are around 70-75%, new boilers installed are 80% and above.

Other issues/considerations: Provides foundation for high efficiency conversions

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Program Name: Customized Oil to Natural Gas Conversion Program

Working Group Contact: Lou Cedrone

Administering Entity: Con Edison

Targeted Sector: Commercial, Industrial & Large Residential

Funding years	Funding Source	Total Budget (Millions)	Cumulative Funds Spent (Millions)	Current Annual Expenditures (Year Millions)			Total Resource Cost (TRC) Results*
					# of Conversions	Annual DTHs	
3 years (as per gas rate case)	Cost Recovered	Annual budget of \$1.47 million split with Residential Program	n/a	Budget has been exhausted	14	250,000	n/a

* Or similar measure performance (e.g. TMET). Include description of cost test(s), identify if the analysis is retrospective or prospective and include any reference or links to on-line documents on evaluation as appropriate.

Program Description (include links to on-line documents as appropriate):

The customized oil to natural gas conversion program provides incentives to customers switching to from oil to gas heat. Customers in this program are handled on a case by case basis. Incentives are provided in the form of a cash rebate or negotiated burn contract. Eligibility and incentive amounts are determined through a company approved financial model. Please access link for details

<http://www.coned.com/escos/documents/GTOP%20-%20APPENDIX%20B.pdf>

Relationship to Staff Preliminary Proposal:

The gas conversion program results in a reduction in CO2 and other emissions. The program also provides a platform to cross sell electric, steam and higher gas efficiency equipment. The program was approved as part of the gas rate case (Case 06-G-1332)

Current status (include statement on where this program is in its life cycle/MT timeline, current trends, projections, whether the program is over/under/fully subscribed, customers served)

The program targets customers greater than 25 residential dwelling units and commercial/industrial buildings. The customized program is marketed through Con Edison personnel to architects, engineers, city/private organizations.

Barriers, challenges, gaps:

High capital costs hinder financial model based incentives. There is a long lead time from initial meetings/discussions to contract being signed, typically between 12 to 24 months. In order to increase market penetration with large customers, the Company is investigating how to get involved earlier, at the design phase of construction.

Ramp-up potential, limitations, where help is needed to fulfill potential:

There currently is a large potential for gas heating conversions, 54% of the large C&I market is not using gas heating.

Co-benefits (e.g. environmental, health & safety, economic development):

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There is an increased efficiency of boilers at time of gas conversion. The program is scalable with delivery infrastructure and system supports in place. Old boilers are around 70-75% or below, new boilers installed are 80% and above leading to CO2 and other emissions reduction. Installations are done using contractors which supports economic development and helps to build a strong competitive ESCO market.

Other issues/considerations: Provides foundation for high efficiency equipment upgrades/conversions.

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