REV LMI Demonstration Projects

New Energy Solutions for LMI Customers
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What is a demonstration project?

The Public Service Commission (PSC) has asked Con Edison and other utilities to conduct demonstration projects that advance clean energy goals.

Demo projects can include:

- New business models, technologies, products, and services
- New means of engaging with customers
- Better ways of delivering existing products and services
Why is Con Edison conducting an LMI demonstration project?

**Market Access Challenges**
LMI customers and communities are underserved by the private market for energy solutions

**Affordability Challenges**
LMI customers pay a disproportionate share of their monthly income to energy bills

**Missed Opportunities**
The LMI customer segment has unmet potential for energy efficiency, clean energy, and innovation
How is low- and moderate-income defined?

We are following NYSERDA’s criteria for defining low- and moderate-income based on percent of the State and Area Median Income.

**Low-income**
Less than 60% of the State Median Income (SMI)
Equivalent to less than $51,800 for a family of four

**Moderate-income**
Between 60% and 80% of the Area Median Income (AMI)
80% of the AMI for a family of four = $72,500
Con Edison LMI Demonstration Project Goals

Access
- Assist LMI customers in accessing clean energy
- Promote access to innovative tools and services

Affordability
- Empower customers to manage their energy use
- Help customers control costs and reduce energy burden

Impact
- Grow energy awareness and engagement; reduce emissions
- Test community-oriented delivery models
Progress and Next Steps

Progress to Date

- Listened and conducted stakeholder outreach
- Released solicitation for partners
- Publicly answered all 115 questions about the solicitation
- Received proposals
- Evaluated each proposal using a committee of internal and external subject matter experts
- Selected three finalists for further development.

Next Steps

- Communicate project concepts publicly
- *Q2/Q3 file project concepts and implementation plans with DPS*
- Run demonstration projects, 2-3 years
LMI REV Demonstration Projects Selected

- Received 33 proposals from 96 organizations via RFI
- Filing in Q2 for 3 Demos:
  1) A self-sustaining model for financing community distributed generation for LMI customers
  2) “Pay for Success” energy efficiency financing model for LMI 1-4 family EE
  3) “High touch” behavioral energy efficiency model for multifamily buildings that combines EE and payment

# of Proposals Received by Category

- Energy Efficiency: 12
- Financing & Billing Innovations: 10
- DERs: 6
- Education & Outreach: 4

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LMI Demonstration Projects #1

“Community Power”

A new, self-sustaining model for supporting LMI community DG

- 1 MW of solar on NYCHA, affordable housing, and commercial buildings
- 351 direct-metered Con Edison customers in NYCHA housing participate
- Participants share benefits through cooperative membership
- Participants pay a subscription, receive a fixed-percent discount on solar credits and see a net monthly energy bill savings
- No credit worthiness or capital outlay is required
- Installation completed by under-employed NYCHA residents
LMI Demonstration Projects #2

“EnergyFit”
A new model for financing and capturing energy efficiency savings in one- to four-family LMI buildings

• Utilizes “Pay for Success” as a third-party financing structure
• Leverages a portfolio approach to similar housing stock
• Streamlines measures and customer engagement
• Intends to reach 1,500 electric and gas customers
• No cost to the customer to participate
LMI Demonstration Projects #3

“Capture the Savings”

A new “high touch” model for achieving behavior-driven energy efficiency savings in LMI multifamily buildings

- Uses “human-centered” or customer-lead project design
- Include customer-centric flexible payment options, bill forecasts, and EE related calls to action
- Intends to reach 2,900 direct-metered customers living in NYCHA and affordable housing developments,
- No cost to the customer to participate
- A minimum 4% monthly customer energy savings expected – two to four times higher than traditional behavioral initiatives
Does this project portfolio address our goals?

1. Increase Access, Affordability and Impact
   **It Increases:** Participating LMI customer access to innovative tools and services, reduces energy costs, and individual and community benefits

2. Reach a variety of LMI customer segments
   **It Reaches:** 1-4 family LMI buildings, multifamily public housing, and LMI multifamily affordable housing

3. Address multiple desired learning areas
   **It Addresses:** Financing, energy literacy, trust, payment, and other unique LMI segment challenges and barriers

4. Spur innovation and new business models
   **It Innovates:** Using new financing mechanisms, payment tools, engagement strategies, and partnerships that can animate markets
How can I get more information?

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