22Q3 ZEREGA AVENUE TASK FORCE SUMMARY

22Q3 GRID MODERNIZATION SELECTED OBSTACLE

Addressing the lack of alignment between scenario modeling and customer plans to properly upgrade the distribution grid, in a more coordinated and efficient manner, to collectively meet long-term CLCPA and Clean Energy Goals.

- SHAUN SMITH
DIRECTOR OF DISTRIBUTION SYSTEM PLANNING (CLEAN ENERGY)

conEdison

22Q3 GRID MODERNIZATION 12 MONTH SOLUTION:

Electric load analysis model review and optimization effort.

M1: Legal requirements review
M2: Base model comparison: Health and CO2 accounting
M3: Customer visit and schedule - scenario development

- TABLE # 3

22Q3 TASK FORCE UPDATES

UPDATES: Task force has completed its efforts and is preparing a final report

Preliminary takeaways

1. Fleet owners all have serious strategic focus, at the most senior levels, on electric conversion. “This has moved beyond sustainability and is now core business”
2. Fleet owners are *unable* to provide detail on their plans to the utilities because they do not have concrete plans in place
3. The lack of planning data is driven by significant *uncertainties that are out of the control* of the fleet owners, including:
    - Will the electric vehicles they require be available on the market at efficient prices?
    - Will State of Federal mandates require conversions and when?
    - Will utilities be able to provide charging solutions in time and at attractive prices?
    - Do fleets have control over their own conversion timelines? (not in case of Fedex for instance, where it is their contractors’ choice)
4. Even City agencies like DSNY, which are more advanced in their planning than most others, cannot currently provide committed timelines
5. Contrary to what could be expected from the lack of planning, *all fleet owners believe the electric conversion will happen in the short- to medium term*
6. Therefore, utilities face a high risk of facing unhappy customers and regulators when these unplanned and uncontrolled conversions accelerate and they are unable to provide timely solutions at scale
7. Utilities need to consider a “top down” approach of working with State agencies and regulators to research, analyze, and anticipate fleet conversions in regional corridors, and use that date to negotiate rate-based solutions for preparing those regions for mass fleet electric conversions
    - The “Brooklyn Clean Energy Hub” initiative might provide a template for this. Con Edison creates a macro solution for offshore wind connections, rather than await a wave of load letters when offshore wind deployments materialize

NEXT STEPS: Present final report during next AEG NYC meeting