

Central Hudson's Non-Pipeline Alternatives



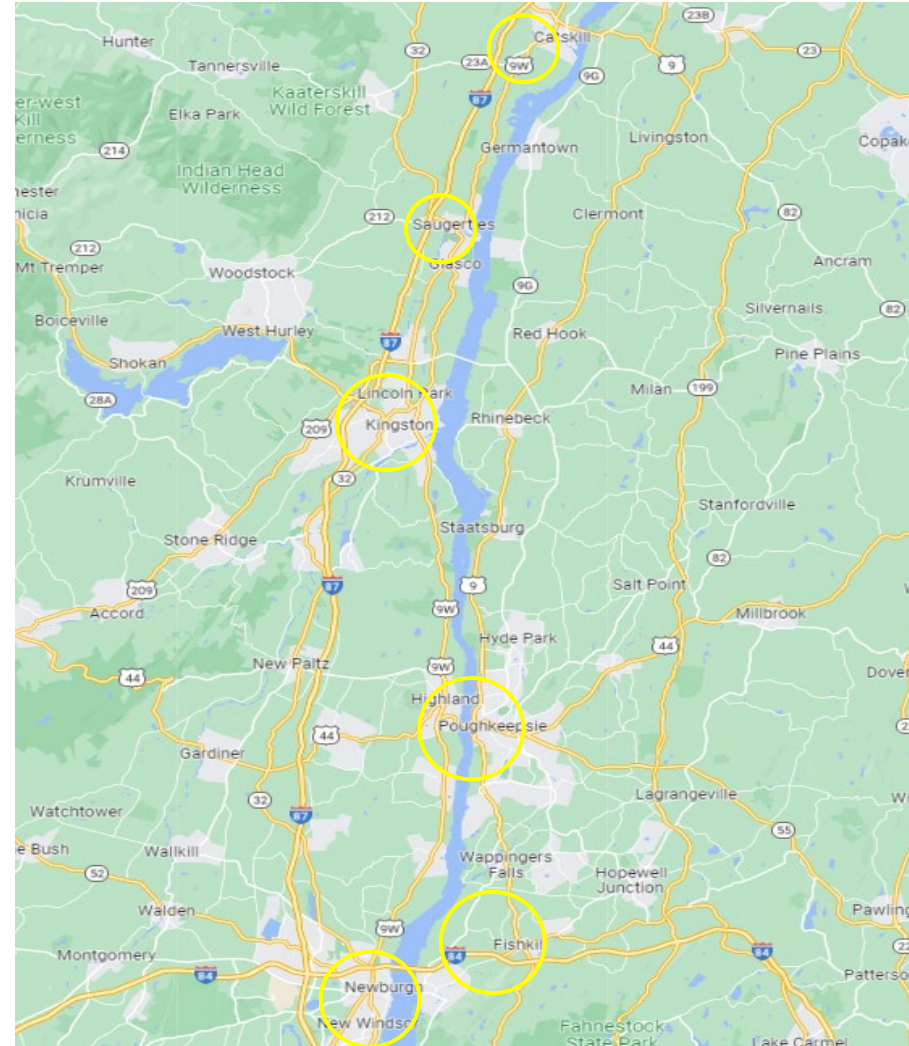
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Transportation Mode Alternatives

- The Company has a target of at least 15 miles of Leak-Prone Pipe (LPP) replacement per year
- Replaces gas using equipment (heating and appliances) with electric devices.
- Also considered in “unique” scenarios
- *100%* participation required in each location
- Overview: 11 Municipalities, 48 Cases
- Average case: 2-3 dwelling, ~500 feet
- 5 cases fully converted (8 SF, 2 MF homes)
- LPP eliminated: 2,139 ft



Workflow



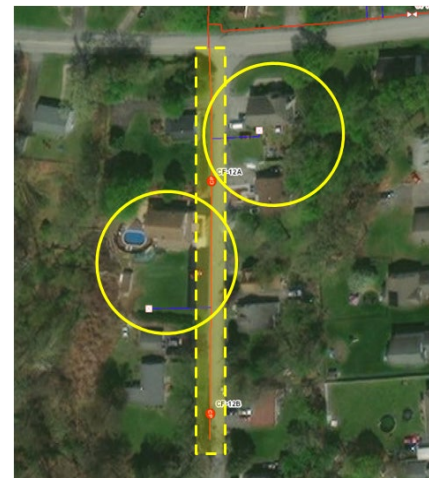
Beneficial Electrification Upgrade

- Full Electric Conversion
 - “Whole-Home Beneficial Electrification”
 - Heat Pump installations in compliance with NYS Clean Heat guidelines
 - Heat pump water heater
 - Electric cooking range
 - Other appliances as needed (ex: electric clothes dryer)
 - Electric panel upgrade (as needed)
- Targeted marketing strategy, followed by customer education and enrollment.
- Central Hudson covers the equipment & install cost



Example Projects

- 2019 Newburgh, NY:
 - 360 ft. Leak Prone Pipe (4" Steel)
 - Avoided replacement cost: \$65k
 - House 1: 2,264 sq. ft., panel upgrade, mini-split and ducted HVAC, appliance upgrade
 - House 2: service line relocation due to 100 ft Rule



- 2021 Fishkill, NY:
 - 560 ft. Leak Prone Pipe (4" Steel)
 - Avoided Replacement Cost: \$217k
 - Customer retired NG generator
 - "Fine-tuning" for comfort and efficiency
 - Largest project to date



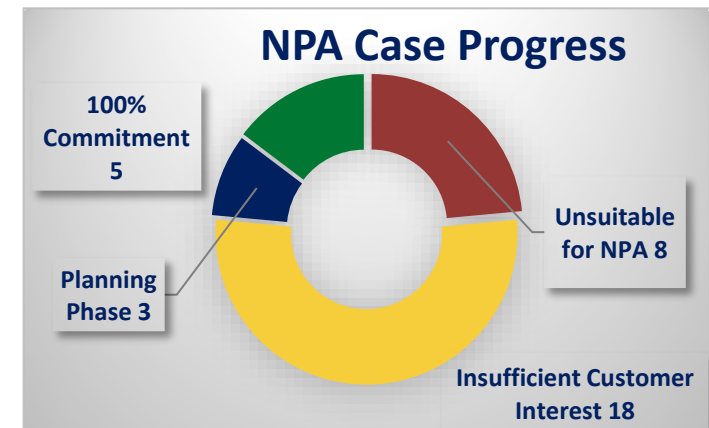
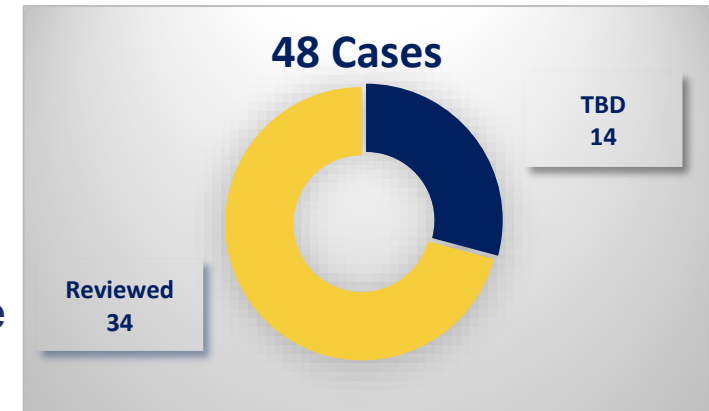
Challenges / Risks

➤ Project-level Challenges:

- 100% participation for each case
- Short timeline to coordinate with municipal projects
- New customer requests prior to retiring pipe main

➤ Customer-level Challenges:

- Unique property layouts
- Approving Boards / Powers of Attorney
- Multi-family, Landlord / Tenant
- Customers change in position
- Sale of property during solicitation period
- Preference for natural gas



Thank you!

