

# **Orange & Rockland REV Demonstration Project: Customer Engagement Marketplace Platform**

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Q1 2018 REPORT

**Submitted:  
4/30/2018**

## Q1 2018 Report

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## Q1 2018 Report

### 1.0 Executive Summary

Orange and Rockland Utilities, Inc. (O&R or Company) submits this quarterly report on the progress of the demonstration project it is implementing as part of the Reforming the Energy Vision (REV) proceeding, as required by the Order Adopting Regulatory Policy Framework and Implementation Plan, issued by the New York State Public Service Commission (NYPSC or the Commission) on February 26, 2015.

This demonstration project, known as the Customer Engagement Marketplace Platform (CEMP), was designed to build partnerships with a network of third-party product and service providers to help increase customer awareness and education of energy consumption, motivate customers to participate in O&R programs, increase distribution and adoption of Distributed Energy Resources (DER) and develop new revenue streams for O&R and its partners.

The beginning of 2016 was the official launch of the My ORU Store offering a selection of Wi-Fi thermostats. Since then additional energy savings products have been added to the store ranging from LED lights, advanced power strips, connected home and water-energy saving devices. By mid-year, the offerings expanded beyond the sale of products to include no cost in-home energy assessments, as well as a variety of fixed-priced services provided by local contractors in the community. Weekly messaging highlighted new product introductions, seasonal promotions and limited time offers (LTO). Efforts to build awareness of the My ORU Store continued throughout the year and in Q4 the team included media buys in radio and digital advertising to promote the holiday shopping season.

In 2017, the focus shifted beyond building the product assortment and brand awareness, to furthering customer engagement through more targeted messaging. Post-transaction engagement strategies were designed and implemented to solicit feedback and design customized messaging. June marked the beginning of a unique collaboration with O&R and Suez Water NY (Suez) designed to help customers save water and energy while lowering their utility bills. Added incentives for mutual customers on water saving products were made available by Suez on the My ORU Store. By Q3, large appliances were introduced and home services were marketed to customers with comfort and cost-savings in mind. The fourth quarter was the My ORU Store's busiest holiday selling season since program launch. Dozens of new products in a variety of categories were introduced to customers along with numerous promotions and manufacturer discounts. The comprehensive marketing campaigns, included email, digital, social, print and radio, helped encourage customers to visit the My ORU Store.

The start of 2018 was met with strong sales in January and February. Messaging shifted from a focus on promotions and holiday sales to one of product education and energy efficiency. Two of the largest outreach events of the year occurred this quarter which helped introduce new customers to the marketplace. A storm-filled March negatively impacted traffic and sales, but the project team was able to adapt with appropriate messaging.

## 1.1 Cybersecurity and Personally-Identifiable Information Protection

Consistent with corporate instructions and Commission policy related to cybersecurity and the protection of personally-identifiable information (PII), each partner agreement executed for the implementation of the REV demonstration projects includes specific protections related to cybersecurity and PII. Assurance of this protection is critical in encouraging customers to sign up for new and innovative services offered by utilities.

## 2.0 Demonstration Highlights

### 2.1 Major Tasks Completed

#### Launch of Additional Products and Services

- Connected home
- LED lighting
- Water saving

#### Seasonal promotions/Limited time offers

- St. Patrick's Day Sale
- Nest and Google Home Mini LTO
- Seasonal messages

#### My ORU Advisor

- Activation and Engagement Campaign

#### Suez Water

- New water kits
- New rebates

#### Marketing Strategies

- Internal and external communications
- Outreach events

#### Customer Insights

- ORYou Exchange

### 2.2 Activities Overview

#### Launch of Additional Products and Services

To maintain customer interest and provide frequent novelty the My ORU Store project team launched over twenty new products in the first quarter of 2018. This represented a 6% increase to the online store's assortment. These additions varied from lighting and connected home to water-saving product categories.

Two new manufacturers, Hive and Lutron, were added to the connected home and lighting categories to help diversify the brands offered and add variety to the style and selection available to customers. Hive products provide everything needed to transform a house into a smart home. Bundled into packs, Hive products include lights, sensors, thermostats, indoor cameras, and smart plugs, all packaged together to make it easier for a customer to create a fully integrated

connected home. Three new packs are available to My ORU Store customers. With the Hive Starter Pack, customers can make their home smarter by controlling lights and appliances, while the Welcome Home Pack adds controllability to heating and cooling equipment. The Close to Home bundle includes the Hive View, a stylish new indoor camera that allows customers to remain connected to their home from anywhere.

A brand new product type was added to the store this quarter: wireless smart dimmer switches and accessories. Thermostat manufacturer ecobee released the Switch+ which automates lighting based on occupancy and daylight sensors. It comes with built-in Amazon Alexa to turn the lights on or off, set a timer, read the news or a podcast, and more. Lutron offers wireless dimmer switches that can be controlled via remote or smartphone. The product replaces an existing switch and works with dimmable LED bulbs. These types of products offer customers convenience and control of their lighting through geo-fencing and voice activation technology. (Appendix D)

In the water-energy saving category, another aerator and several new showerhead finishes were added including white and brushed nickel, offering customers more options to fit the style of home fixtures. Two water saving kits were added to the store, featuring multiple showerheads and aerators, bundled in one package. These items are rebated by Orange & Rockland and by Suez for mutual customers.

### **Seasonal Promotions/Limited Time Offers**

The My ORU Store rang in 2018 with seasonal messaging focused on new technology. Innovative products excite customers and bring them useful, cutting edge technology for home management services. The “New Year, New Tech” campaign featured best sellers from brands such as Nest, Google and Keen Home. Keeping up with the technology trend, a Super Bowl themed message encouraged customers to outfit their home with the latest for easy entertaining or simply keeping an eye on their home while heading out to the closest game spot. The campaign promoted the Nest Indoor Cam, Advanced Power Strips and iDevices Switch which provide customers with convenience and peace of mind while entertaining. (Appendices A & B)

During the first quarter, the project team expanded promotions to include products in the growing connected home category. During the month of February, the My ORU Store launched a limited time offer (LTO) manufacturer promotion on the Google Home Mini and Nest Cam bundle. The Google Home Mini 20% off sale ran for 2 weeks and a marketing module incorporated into the weekly email was created specifically to promote this offer. Additionally, the My ORU Store took advantage of two opportunities to promote a Nest Camera sale during the months of February and March. Also, by adding a \$100 off sale banner to the Lutron Switch and Smart Plug emails, customers were enticed to check out these products and learn more about the features. (Appendix E)

In an effort to increase interest in the water saving category, the project team held a one week LTO in conjunction with St. Patrick’s Day, tying the messaging and visuals to “green” and “lucky” themes. The sale featured new and discounted water-saving kits, as well as price reductions on select WaterSense rated showerheads. The sale also highlighted some of the latest models of showerheads recently introduced on the My ORU Store. This campaign featured a module on a the Rachio Smart Sprinkler, offering a new concept on water saving products, which gives customers have ultimate control over their sprinkler system right from their smartphone. With this device customers can customize their watering schedule and adjust it as needed based on local weather, specific plants, soil and sun exposure. This module was targeted to past Nest purchasers and home owners as these customers have already adopted smart technology. (Appendices A & E)

### **My ORU Advisor**

For three weeks in February and March, Advisor customers received one of two emails, either an activation or engagement campaign, depending on whether or not they have logged in to the site before. Both versions asked customers to complete an action, by either activating their account or completing a tip, for a chance to win a Nest 3<sup>rd</sup> Gen Learning Thermostat.

The purpose of the activation campaign was to give customers a new incentive to login to the My ORU Advisor portal for the first time. The expectation was that once customers activated their account, they would explore the program benefits (including energy insights, tips and rewards) and become engagers in the program and more educated energy consumers. Customers were given limited time to activate their account in order to be eligible for the sweepstakes. (Appendix J)

The engagement campaign offered customers who already logged into the site an additional incentive to continue to engage with the platform. They were asked to complete a tip in the specified timeframe to earn entry into the Nest raffle. The table below demonstrates results over a three week period from these campaigns. (Appendix J)

<b>Activation/Engagement Campaign Results</b>		
<b>Metrics</b>	<b>Results</b>	<b>% Change</b>
# of Logins	1,183	53%
# of Unique Logins	263	281%
Home Profile Completions	99	102%
Tips Completed	1,711	98%
The % increase in engagement represents the % increase from this period of time (3 weeks total) compared to the prior three weeks.		

Messages from the My ORU Advisor this quarter focused on incorporating seasonal themes in meaningful ways to reduce energy use at home. To ring in the New Year, customers were

encouraged to set energy saving resolutions. Customers were given a list of tips requiring less than ten minutes to complete, but could lead to meaningful energy savings throughout the rest of the year. A Valentine's Day campaign focused on ways to minimize energy use such as dimming lights to set the mood and turning down the thermostat when hosting friends and family. Also, as many households head out of town for spring vacations, a "Spring Break" email reminded customers to take proactive steps to put their homes on "vacation mode" before they left. One specific email focused on the amount of energy wasted if customers left their homes for an extended period of time with lights and heat on, and electronics plugged in. (Appendix J)

### **Suez Water**

The collaborative efforts between Suez and the My ORU Store continue to increase engagement and promote water and thermal energy savings. The Suez Conservation Rebate Program project team was awarded a national SUEZ Innovation Award for their partnership with Orange & Rockland and a number of press releases were sent publicizing the utilities joint efforts.

Members from both companies conduct ongoing bi-weekly strategy sessions to discuss initiatives on the My ORU Store as well as the progress of the Suez Conserve program. Mutual efforts are coordinated to achieve water-energy savings goals and increase the sales and adoption of these measures. Since the launch on the marketplace last June, it is estimated that the mutually rebated showerheads will contribute to saving more than 70,000 gallons of water each year.

Suez heavily promotes its own conservation program through television ads, bill inserts and newsworthy press releases. While on the Suez Conserve website, customers interested in purchasing cross-marketed products can be redirected to the My ORU Store to receive rebates from both utilities. Currently there are 4,575 mutual customers receiving co-branded messaging on water-energy saving measures. These customers are eligible for additional rebates funded by Suez on many of these products available on the store

Water-saving products were the focus of the St. Patrick's Day sale in March. Items featured included discounted water-saving kits, select WaterSense labeled showerheads, and smart sprinkler systems. The email educated customers on the multiple benefits of water and thermal energy savings, specifically how using less water in the kitchen and bathroom means the home can devote less energy to water heating. The sale encouraged great interest to the category as demonstrated by a 750% increase in revenue and 500% growth in units when compared to prior month. New finishes on existing showerheads were also introduced this quarter to offer variety and style options for customers.

### **Marketing Strategies**

For many e-commerce retailers, the first quarter of any year follows a robust Q4 with a lull in sales, typically due to customers' lack of discretionary income and a general scarcity of holiday shopping occasions. At the same time, it represents a time of year when customers are turning

their focus to new resolutions and home improvements, and in many parts of the country, are feeling the pain of higher bills due to heating costs during the coldest months of the year. The project team's marketing strategy for Q1 2018 balanced a measured response to shopping fatigue by utilizing more targeted and relevant messaging. The focus was also to capitalize on seasonal opportunities and deepen the relationship with those customers who purchased and engaged during the previous quarter.

Themes for Q1 ranged from winter weather and heating season messages to home improvement; events and holidays like New Year's, Super Bowl, Valentine's Day and St. Patrick's Day; more educational content as a focus versus a straight sales and selling approach as seen in Q4; edification on smart switches and plugs; introduction of new technologies, expansion of existing product categories and promotion of items in an "on sale" pricing methodology.

Email marketing messages continued to bring customers to the My ORU Store, with 44% of sessions, 36% of users and 17% of revenue deriving from weekly email communications. So that customers did not tire of the messaging, the project team continued to experiment with email frequency and engagement. More frequent messages were sent to customers who were highly engaged and only the most compelling offers were sent to those less active. Message targeting and personalization were based on available demographic, engagement and purchase data. Email marketing audience segmentation included active in past 180 days, engaged in past 90 days + past purchasers and thermostat purchasers. This allowed the messaging to be more meaningful and relevant to our specific audience of customers.

The project team continues to test website functionality to improve the experience our customers have when browsing the My ORU Store. To better serve customer interests, A/B split tests were conducted to determine which subject line, content or landing pages resonated more with the majority of those in the test group. Not only did the majority receive the most effective or "winning" email, but the results helped to inform and improve future communications.

In order to keep O&R employees engaged in all the activities involving the My ORU Store, the project team continues to utilize the internal communication channels to keep them abreast of marketplace activities. Within the organization, email blasts are sent out to inform employees of new product launches, LTOs and upcoming promotional sales. A quarterly newsletter was created and distributed to the customer support team to help them field inquiries and promote the store when speaking to customers. (Appendix I)

O&R employees are not only brand ambassadors helping to promote the store, but many reside in the service territory and are potential customers of the marketplace. As such, the project team, along with Energy Services, present bi-monthly to new hires to educate them about energy efficiency programs and the Customer Engagement Marketplace Platform.

In Q1 the project team maintained a constant presence in all three monthly bill inserts. These mailers have a widespread reach to nearly 186,000 NY Residential customers. By utilizing this



form of communication, the project team not only incorporates direct mail into the marketing plan in an efficient and cost-effective way, but promoted the My ORU Store to a wider audience beyond those already reached through email.

The new HomeAdvance Comfort Package was the focus of the January bill insert and explained how a free in-home energy audit could improve the comfort, safety and value of a customer's home through a variety of energy efficient upgrades. The buckslip explained the HomeAdvance program in more detail and identified criteria for eligibility. The insert was extremely successful and generated more than 100 customer leads for these home services. (Appendix G)

In February customers were educated on the incentives for enrolling their Wi-Fi thermostat in O&R's residential Demand Response program, Bring Your Own Thermostat (BYOT). As part of this insert, customers that did not have a Wi-Fi thermostat were encouraged to shop for one on the marketplace and save with instant rebates.

With springtime approaching, the focus of the March bill insert was on the two newest product categories of outdoor living and portable power. These products provide customers with the convenience of power on the go particularly as the warm weather approaches and they are able to take efficiency on the road. (Appendix G)

The project team finalized a comprehensive marketing plan with the new advertising agency to commence in the second quarter of 2018. This plan includes search, social media, and programmatic digital banner ads. The content for these plans is currently in production and will go live beginning in May ahead of Memorial Day weekend promotions.

The My ORU Store was the main focus of the 32<sup>nd</sup> Annual Suburban Home Show held at the Rockland Community College Field House from February 22-24<sup>th</sup>. Products were on display in a case line and out on tables for customers to interact with. In addition to hands-on demo displays from popular thermostat vendors Nest and ecobee, a large 98" television screen ran a loop of product videos and items for sale on the store. During the event, members of the project team and Energy Services handed out more than 300 promotional gift cards to prospective and repeat customers for \$10 off their next My ORU Store purchase. New this year to the home show setup was a large screen display for customers to browse the store's offerings and view product pages. Several iPads on hand allowed customers to sign up for free in-home energy audits and enter a raffle for a chance to win an energy-saving product bundle valued at \$500. Metrics reported during that weekend indicated that there were 120 entrants to the raffle, 19 home energy audit enrollments and a retail sales increase of 818% compared to last year's home show period.



*Rockland County Home Show O&R Booth*

On March 3<sup>rd</sup> the REACH Foundation of Rockland held its annual STEAM Expo 2018 at Suffern High School. The expo is a celebration of science, technology, engineering, art and math learning. As an Innovator level sponsor, O&R staff members were on hand to educate students and their families about energy savings through O&R's energy efficiency programs and online store. The My ORU Store was promoted through promotional giveaways, marketing collateral and product displays at the event.

The Orange County Home Show was held at a local community college during the weekend of March 16-18<sup>th</sup>. At this show, the My ORU Store was a core focus of the O&R booth. Customers were able to interact with the store's assortment through product displays, view informational videos, browse the store's catalog via iPads and interact with members of the project team. Customers were encouraged to sign up for a free in-home energy audit and enter a raffle for a chance to win a basket filled with energy-saving products. There were 99 entrants to the raffle and a total of 8 customers signed up for audits. One of the promotional giveaways included was a \$10 discount code to be used towards a future purchase on the store.



*Orange County Home Show Table Display*

### Customer Insights

To help better understand the needs and preferences of our customers, Orange & Rockland formed an online advisory panel for customers to participate in surveys and forum discussions. The ORYou Exchange is an invitation-only online community where Orange & Rockland (O&R) and Rockland Electric (RECO) customers have the opportunity to provide their feedback and opinions on all things related to O&R/RECO and the energy industry. As an incentive, participants are able to earn rewards. As they provide input, they earn points that can be redeemed for gift cards. The more a customer participates, the more points they can earn and redeem. A brief survey was conducted through the ORYou Exchange in January to determine members’ awareness of the My ORU Store. There were 553 New York Residential ORYou Exchange Community Members who participated in the survey.

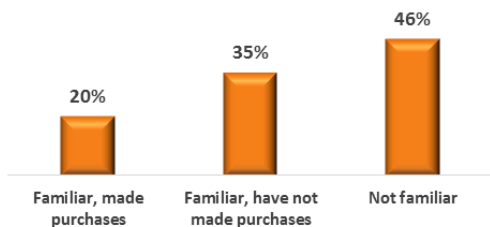
### OrYou Exchange Survey Results

Through the survey the project team received both quantitative and qualitative insights into awareness, communications, purchase intent as well as recommendations for additional products and service offerings.

More than half of the members were familiar with the My ORU Store. However, only two in ten had purchased from the marketplace. Eight out of ten participants were at least somewhat interested in visiting the My ORU Store after understanding more about it. When it came to how participants learned about the My ORU store, the majority of customers were familiar with the store from emails as well as bill inserts. And when participants were asked why they shopped at the My ORU Store, a quarter of the members visited due to a sale, while nearly two in ten shopped because of the instant rebates.

**Familiarity with My ORU Store**

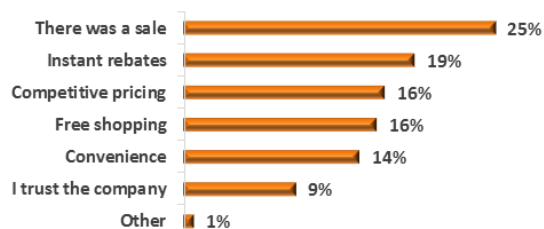
More than half of members are familiar with the My ORU Store. Only two in ten have made purchases from the store.



Q2. Which of the following best describes your awareness of the My ORU Store?

**Why Members Shop at My ORU Store**

A quarter of members shop at the My ORU Store due to a sale, while nearly two in ten shop due to instant rebates.



Q6. Base: Made a purchase at My ORU Store. For which of the following reasons did you/do you shop at the My ORU Store? (n=288)

### ORYou Exchange Customer Testimonials

The survey allowed participants to provide feedback on their knowledge of the marketplace, why they have not purchased from the My ORU Store, and opinions on what other products they would like to see offered. Below lists a few customer comments from the survey.

*“Got several emails over the holidays about promos. The store is actually nice. It offers products and services that you can buy but some of the products can be found elsewhere for less. I do like that it offers services for AC check-up or furnace maintenance.”*

*“Because we don’t purchase things we don’t need, and, in a casual perusal of the offerings at the ORU Store, we haven’t come across anything that we need.”*

*“Energy efficient appliances, windows, insulation or anything that would help with the efficiency of the home.”*

### 3.0 Key Metrics

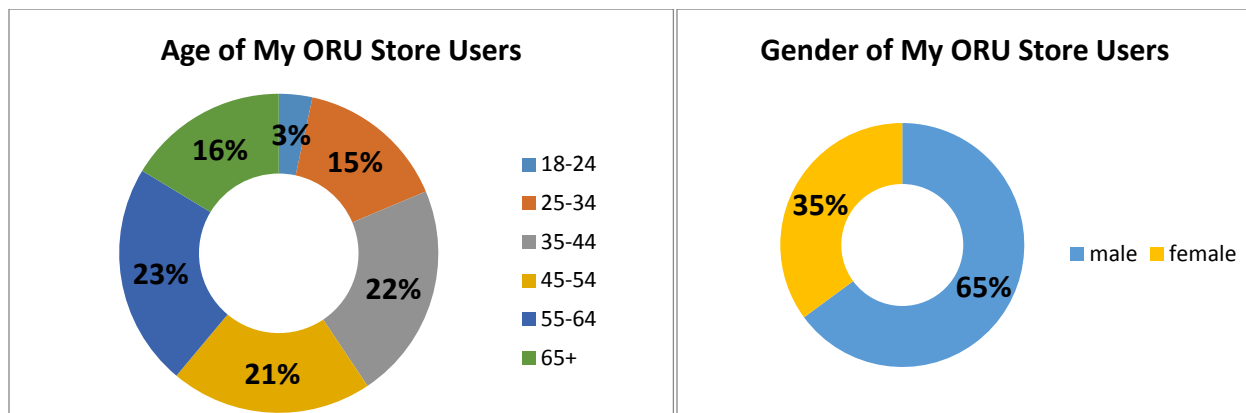
Despite sales declining from prior quarter, users, new users, sessions and page views were all up exponentially when compared to Q1 last year. New users accounted for 76% of all website visitors this quarter, demonstrating that our marketing initiatives and outreach efforts are increasing awareness and bringing additional customers to the website. Thirty-three percent more customers visited the store this quarter when compared to last year; they also generated more sessions (+26%) and viewed more product pages (+19%).

The project team uses Google Analytics to analyze performance engagement metrics. Google Analytics provides information about the different demographics who visit the My ORU Store website. This data is collected from people who are logged in to a Google account and from third-party DoubleClick cookies (user tracking cookies). Each Google account has a lot of pre-set personal information, such as age and gender. Google can identify any users who are logged in while they are browsing a website which has Google Analytics running in the background. They can then collectively associate the users’ personal information with their website sessions. The customer demographics in the charts below represent the 40% of users that meet this criterion.

Based on this type of data, My ORU Store customers are predominately male with only 35% of users being female. The 55-64 age groups represent the most users with 23% of all visitors, followed by the 35-44 age groups at 22% and 45-54 at 21%. My ORU Store customers are grouped into in-market segments like home décor, real estate, financial services, and home furnishings. Users in these segments are more likely to be ready to purchase products or services in the specified category. These are users lower in the purchase funnel, near the end of the

process. These customers also have an affinity for food & dining, banking, news and politics, travel and home and garden. The users that are interested in banking and finance generate the most revenue for the marketplace while those interested in value shopping generate the most website sessions.

*Customer Demographics*



The top categories driving unit volume for Q1 were home services at 38%, followed by lighting at 30%, and water-saving devices at 10%. In terms of retail sales, the top performing categories were services, which account for 54% of the retail sales. A large part of this revenue was driven from referral fees obtained from the Sealed home audit and comfort plan package. Overall, service sales were up 71% compared to last year with Sealed HomeAdvance Comfort Package and Energy Audit generating a significant number of leads and home projects. One marketing email promoting the Comfort Package in February generated 49 leads on the My ORU Store in a single day. This email campaign along with a bill insert sent to customers in January helped increase sales. As a result, 230 customers expressed interest in receiving an audit by completing a transaction on the store, representing a 353% increase over Q1 2017. The second highest category in retail sales was 19% from the sales of Wi-Fi thermostats, and lighting fell to third place at 11%. LED lighting and advanced power strips sales struggled this quarter due to lowered rebate incentives, which caused the cost of these entry price point products to rise significantly.

High usage residential customers participating in the My ORU Advisor behavioral pilot were responsible for more than 24,000 logins to the online Advisor portal since the launch in 2016, with 13% of those logins occurring in the first quarter of 2018. To date, customers have redeemed 554 rewards, earned over 13,000 badges and completed nearly 3,250 home profiles. Email engagement remained strong as click and click-to-open rates trended above industry benchmarks, demonstrating that consumers continue to actively seek out information about energy efficiency and saving money.

There were two significant email campaigns sent to My ORU Advisor customers in Q1 to help increase participation and activation. Both versions of the campaign asked customers to

complete an action, either activating their account or completing a tip, for a chance to win a Nest 3<sup>rd</sup> Gen Learning Thermostat. The contest lasted for three weeks during February and March. As a result of this campaign there were 1,183 logins, 99 home profile completions and 1,711 tips completed during the duration of the contest. When compared to the prior three weeks, levels of engagement went up significantly with a 53% increase in logins, 102% increase in-home profile completions and 98% more tips completed. (Appendix J)

### 3.1 My ORU Store Metrics

My ORU Store		
Email Performance	Q1	IA*
Email Open Rates	21.7%	18.3%
Email Click Rates	1.1%	1.6%
Email Click to Open Rates	5.2%	8.0%
* Industry average (IA) -2016 Epsilon Email Benchmarks – Retail Specialty Category		

My ORU Store		
Ecommerce Metrics	Q1	% Var LY
Sessions	16,715	26%
Users	11,255	33%
New Users	77%	6%
Page Views	48,342	19%
Transactions	418	-24%
Units Sold	597	-45%
Conversion Rate	2.5%	-40%

My ORU Store		
Savings Metrics	Q1	YTD
kWh	192,012	192,012
kW	59.6	59.6
Therms	8,848	8,848
Rebate dollars paid	\$22,250	\$22,250
Total # of Rebates paid	1,213	1,213
* Quarterly savings are analyzed and reported in the following quarter		

My ORU Store		
Product Categories	% TTL Sales Units Q1	% TTL Sales Revenue Q1
Advanced Power Strips	5.0%	2.3%
Connected Home	6.2%	8.3%
LED Lighting	30.7%	11.6%
Home Services	38.7%	54.7%
Outdoor Living/Other	0.0%	0.0%
Wi-Fi Thermostats	8.7%	19.7%
Water Saving Devices	10.7%	3.4%
Window A/C Control	0.0%	0.0%

My ORU Store		
Visits by Channel %	Q1	% YTD
Email	52.7%	52.7%
Direct	21.2%	21.2%
Referral	16.8%	16.8%
Organic Search	7.4%	7.4%
Paid	0.1%	0.1%
Social/Other	1.8%	1.8%

### 3.2 My ORU Advisor Metrics

My ORU Advisor		
Ecommerce Metrics	Q1	YTD
Logins	3,374	3,374
Unique Logins	554	554
Tips	4,145	4,145
Badges Earned	1,397	1,397
Home Profile Completed	305	305
Reward Redemption	82	82
Unsubscribes	220	220

My ORU Advisor		
Visits by Channel %	Q1	% YTD
Email	84.7%	84.7%
Direct	6.5%	6.5%
Referral	0.5%	0.5%
Organic Search	1.7%	1.7%
Other	6.6%	6.6%

My ORU Advisor		
Email Performance	Q1	IA*
Email Open Rates	21.2%	24.0%
Email Click Rates	1.9%	1.4%
Email Click to Open Rates	8.8%	4.8%
* Industry average (IA) -2016 Epsilon Email Benchmarks – Retail Specialty Category		

### 3.3 Demand Response Metrics

To date, smart thermostats purchased from the MY ORU Store represent 12% of the total enrollments in O&R’s Bring Your Own Thermostat Program (BYOT), with 259 customers connecting 316 smart thermostats. The energy savings from these Wi-Fi thermostats represent up to 259 kW of demand reduction when a load reduction event is called.

Demand Response/BYOT		
Metrics	Q1	PTD*
# of Customers Enrolled	23	259
# of Connected Devices	29	316
kW Savings	23	259
* Program to Date (original launch October 2015)		

### 4.0 Strategic Objectives

The project team is always looking for opportunities to educate our customers about the marketplace and increase awareness. Whether through traditional methods like email, bill inserts, or paid media, the team seeks out new strategies to promote the My ORU Store. Currently, the project team is working with the new media agency to create a comprehensive marketing plan for the remainder of 2018. The team is also coordinating with others internally to ensure the store is heavily promoted at outreach events as well as collaborating with the new business department to develop marketing collateral to be included in a welcome kit for new gas customers.

The project team continues to work on building a more robust assortment of products and services. Aligning with O&R’s partner Simple Energy, plans are underway to introduce new categories, additional manufacturers, and expand on existing styles with new finishes and colors. Continually exploring new technologies and manufacturers in the market, allows the My ORU Store to provide innovative product solutions to customers that can help save energy and money as well as provide convenience, control and comfort to them in their homes. Sourcing products with mass appeal at competitive prices is important and the team plans to add products at a variety of price points to meet the needs of customers. To drive increased sales and energy savings, the project team is looking at opportunities to align the products offered on the store with the current measures available through the residential electric and gas rebate programs.

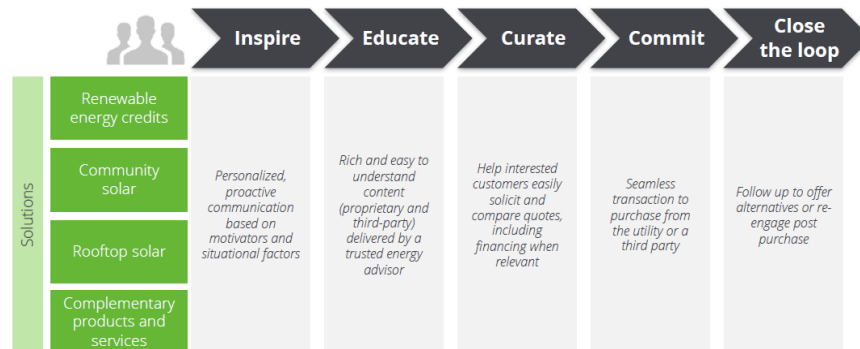


The project team also collaborated with the energy efficiency department to reset rebate quantity limits to the category level. Previously rebate incentives were limited at the individual style level allowing customers to receive fewer rebates per item but across a wider variety of styles. This change was made to provide more choice to customers. For example, eligible customers could decide if they wanted to outfit their home with all high hats, or all decorative bulbs if they had chandeliers, as long as they did not exceed the total maximum number of rebated LEDs allowed.

In an effort to expand the contractor network, O&R plans to work closely with cross-functional departments that have existing relationships with contractors in the O&R community. A contractor appreciation event is scheduled for later this year, and the My ORU Store project team will be on hand to consult with contractors about the unique opportunity to offer their services on the marketplace.

One vision for the My ORU Store marketplace is to become a centralized customer transactional platform. The project team is exploring a unique opportunity to expand upon services by offering a new solar platform that would educate customers about solar and enable them to connect with qualified providers in the territory. The project is still in development but the process would allow customers to compare a variety of solar offers and choose the one that fits their needs and budget. The enrollment process would be streamlined and automated for all parties, including customer, utility and solar developer. Customers would receive messaging to increase awareness and education surrounding solar, and the platform would provide tools to help them make well-informed decisions. O&R and Simple Energy are exploring features that include using customer data through a logic-based tool and an ROI calculator to help make financial decisions. This type of platform expansion would further position O&R and the My ORU Store as a trusted energy advisor for its customers.

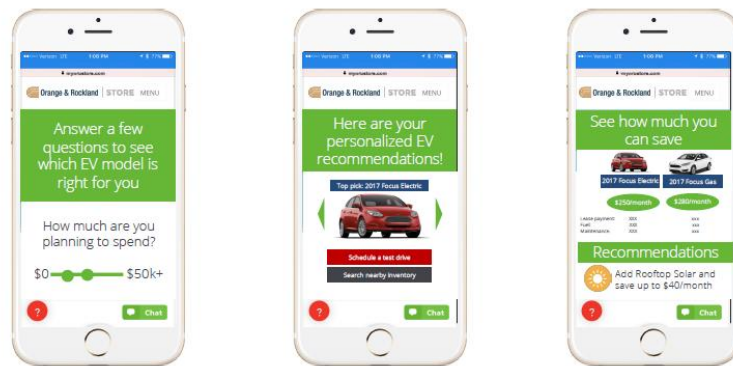
*Preliminary Solar Solutions*



In February, Orange & Rockland and Simple Energy collaborated on Program Opportunity Notice (PON) 3578, proposing an innovative program to accelerate plug-in electric vehicle (PEV)

adoption and improve grid integration of electric vehicles (EVs) in our service territory. Knowing that selecting the right electric vehicle supply equipment (EVSE) for home charging options can be a pain point for many customers, the team believes this program would provide exceptional convenience and value for customers and help reduce barriers to adoption. Through education, emails and an incentivized EVSE with bundled program enrollment offering, this platform can help O&R meet its goals of carbon emission reduction, drive transactions on the My ORU Store, and accelerate PEV adoption in New York State.

*Mockup of Customer EV Planning Tools*



Acquisition strategies are continually being explored to capture more email addresses as email continues to be an effective driver for customer engagement, website visits and conversion. On a quarterly basis the project team provides new email addresses from electric, gas and demand response rebate program participants who have opted in to receive marketing communications from Orange & Rockland. The project team is collaborating with the Corporate Communications department to determine next steps for promoting the online store in a print and/or digital welcome guide to new O&R customers. New accounts are encouraged by customer service to provide their email address to receive the latest news from Orange & Rockland, including the marketplace. These customers are then provided to Simple Energy to begin onboarding them to the marketplace weekly emails. Additionally, the project team captures email addresses at outreach events through contests, energy audit consultations, product transactions, and signup sheets.

O&R’s website DCX (Digital Customer Experience) platform is designed to educate customers to help them better manage their energy use, and cross promote the My ORU Store, as well as other Energy Efficiency and Demand Response programs available to them. To increase visibility of the My ORU Store on the O&R website (oru.com), the project team has proposed adding additional tiles within the energy efficiency section that would provide links to the marketplace and free in-home energy assessments. This added visibility should help increase website traffic and drive transactions in both products and services.

Additionally, through the Orange & Rockland online customer advisory committee, the ORYou Exchange, the project team is planning to survey the panel on their experience using the website

and seek input on what improvements can be made to provide an improved shopping experience.

#### 4.0 Checkpoints/Milestone Progress

Checkpoint *	Projected Date	Completion Date	Progress Status
Marketplace Launch	1/15/2016	2/2/2016	
Add Additional Products	2/5/2016	3/30/2016	
Add Fixed Price Services	2/5/2016	6/29/2016	
Marketplace Quarterly Check in	3/22/2016	5/1/2016	
Launch HERs and Engagement Platform	5/7/2016	6/12/2016	
Add Variable Priced Services	4/1/2016	In Progress	
* These timelines are pending and subject to change as the program evolves			
Complete	In Progress	Delayed	

#### 5.0 Work Plan & Budget Review

The project team continues to evaluate customer and contractor interest with variable priced home services. The work flow process for integrating this on the My ORU Store is still in development. The project teams are working to develop an enhanced web platform that would accommodate additional third party providers and non-fixed priced services.

#### 5.1 Expected Changes

Phase	2015		2016												2017												2018					
	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	
Phase 0: Implementation - Design and develop program components																																
Phase 1: Launch - Implement marketplace with limited offerings																																
Phase 2: Category Expansion - integrate data analytics and implement complete line of product and offerings.																																
Phase 3: Decision on Project Expansion - evaluate program performance to determine next steps.																																
Phase 4: Revenue Optimization - streamline product and service line to maximize revenue opportunities.																																
Phase 5: AMI Integration - upon implementation of AMI evaluate rate design plans for peak time rebates, TOU analytics, integrate TOU enrollment.																																
Project Schedule Completed																																

The rollout of AMI in Rockland County is in progress and, to date, 32,817 gas and 46,906 electric smart meters have been installed in the O&R service territory. Data will be available for integration into the marketplace at a later date.

#### 5.2 Challenges

Reductions in rebate levels have significantly impacted sales in some of the key product categories such as lighting and Tier 1 advanced power strips. Lighting sales have declined by 76% in both units and retail dollars in Q1 compared to prior year. Tier 1 advanced power strips also decreased by 94% from Q1 2017. Sales in large appliances on the marketplace continue to be slow despite the robust rebates offered by Suez NY. Increased marketing efforts from Suez of

the energy star clothes washers and WaterSense toilets have had little impact on marketplace sales.

Although the introduction of new product categories such as portable power and outdoor living have generated interest with customers, driving key revenue in these categories remains a challenge. Most of these products are not rebated and therefore, customers while interested remain price sensitive and hesitant to purchase.

The project team retained Cadmus, an impact and process evaluation vendor, to survey the participating and non-participating service providers to gain valuable feedback to be used to improve contractor service offerings on the website. Although the contractors already marketed on the My ORU Store were satisfied with their experience, some did express the need for more marketing of their services, including co-branding with O&R, and further enhancements of the platform to make it more customized for home services.

Inclement weather during the month of March included several severe Nor'easters, resulted in very low site visits and purchases during that time period. The corporate focus shifted to communication around restoration. The project team decided to forego email communication about the My ORU Store during this time to be sensitive to customers without power.

Consistent marketing of the My ORU Store is a critical component to building and maintaining awareness among customers. With the delay in media buys with the advertising, the project team swiftly reacted by ensuring that the marketplace was heavily promoted through internal initiatives, including multiple bill inserts, outreach events and on various social media platforms.

Simple Energy has experienced delays in the development of a new solar platform. The O&R project team continues to prioritize and support this initiative and plans to launch have been shifted to mid-2018.

## **6.0 Work Plan & Budget Review**

Actual costs to date will be filed confidentially with the NYPSC concurrently with the filing of this document.

### **6.1 Phase Review**

The program has met most key milestones described in the work plan exhibited in previous reports.

### **6.2 Updated Budget**

The program is still currently running under budget due to lower than projected payroll expenses resulting from positions remaining vacant for longer than anticipated. All positions have been filled with permanent employees as of August 2017.

### 6.3 Lessons Learned

- 1) New technology and higher priced point products require more touch points with customers and as a result, they are often not as quick to convert. The project team has learned that incorporating educational messaging is critical to overcoming these barriers of adoption.
- 2) Reduced rebates have a significant impact on sales as many customers are price sensitive. Although Tier 2 advanced power strips rebates increased, Tier 1 were simultaneously reduced. Education about the difference in technology, yielding significantly different savings and accordingly distinct rebate levels, remains a challenge and more communication to customers is needed to clarify these differences.
- 3) The project team has learned after testing several campaigns for both the My ORU Store and My ORU Advisor, that incentivizing customers helps drive engagement. The Advisor launched an engagement and activation campaign to engage new and repeat users of the behavioral platform. Customers were given the opportunity to win a smart thermostat, and from both campaigns there were increases in net new customers.
- 4) The project team made enhancements to the O&R company website including adding multiple tiles for additional placement on the Company's home page. This modification led to a significant increase from referral traffic from oru.com in Q1. When compared to Q1 last year, site visits increased 68%, while users and new users grew by 95% and 101%, respectively.
- 5) Incorporating more hands on product displays at outreach events has proven successful with engaging customers and allowing opportunities for employees to interact and educate customers about product features and benefits. Better understanding of the product led to higher conversion rates and more purchases as demonstrated by sales increases in the items featured at the Rockland and Orange County Home Shows. Sales during the Rockland show were up 800% from prior year show period. Large computer screens and iPad Pros were available to facilitate on site transactions including sign-ups for Sealed's in-home energy audit. Also, using a new online sweepstakes form provided an easier process for email signups and a chance to win in the raffle basket contest.
- 6) Bill inserts with specific focused messages are still a very effective method for reaching customers and driving them to take action. The January bill insert which marketed home services was responsible for the spike in leads for Sealed's in-home audits and Home Advance comfort package.
- 7) Varying email frequency and focusing certain messages to a more select recipient list helped minimize email fatigue and reduce unsubscribed rates.

- 8) Targeted messaging has proven to be successful when reaching customers and driving purchases; personalized messages resonate well and the project team recognizes an opportunity to utilize customer data, from internal and external sources, to customize communications.

## 6.4 Recommendations

The project team suggests the following recommendations:

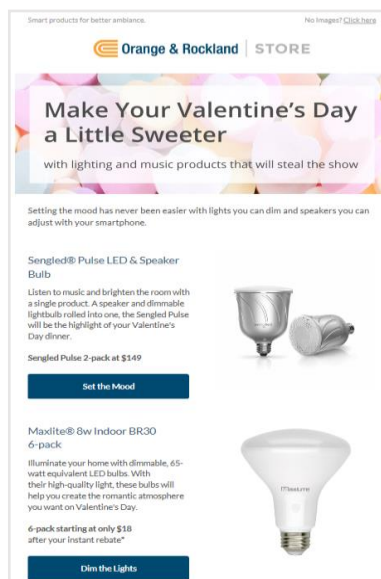
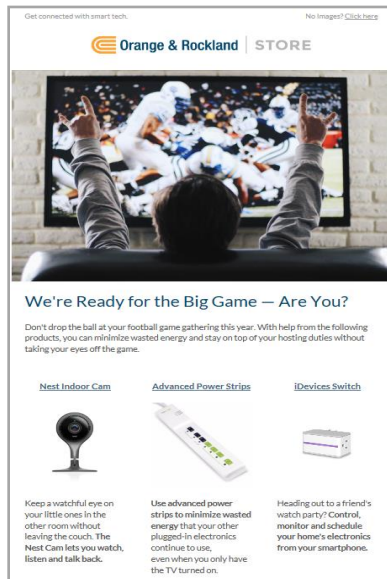
- 1) Continue to find opportunities to drive traffic to the My ORU Store through various acquisition channels. Research additional ways to enhance the O&R company website to further promote the My ORU Store
- 2) Develop the My ORU Store into a one stop shop for all energy efficiency needs by adding more educational materials and online audit tools. Continue to modify marketing materials, including the marketplace catalog and energy saving guides
- 3) Solicit feedback from contractors on the design of an expanded services platform to ensure that needs are met. Use information from Cadmus study and the ORYou Exchange to make modifications
- 4) Participate in a wider variety of outreach events in O&R service territory as these are crucial opportunities to personally engage with customers and build awareness of the My ORU Store
- 5) Continue to partner with Suez as it enhances its conservation program – explore opportunities to expand rebates and introduce new water-energy saving products to customers
- 6) Utilize the ORYou Exchange, a new online community for future surveys about the MY ORU Store and My ORU Advisor to gain valuable customer feedback about products, services and programs of interest to them
- 7) Further introduce the My ORU Store to new customers through corporate communications such as a welcome letter. Partner with gas marketing and other internal departments when possible

## 7.0 Appendices

### Appendix A: My ORU Store: Homepage Banner Ads



### Appendix B: My ORU Store: Marketing Email – Seasonal Focus




**Appendix C: My ORU Store: Marketing Email – Home Services**

Make sure your home isn't wasting energy. No images? Click here

**Orange & Rockland | STORE**

You've received this email because you're eligible to participate in My ORU Store, Orange & Rockland's online energy efficiency store.



**Fall in Love With Home Again**

Get up to \$6,500 in prepaid upgrades!

Does your home feel drafty and cool, even when the heat is on? You may be losing heat and wasting money throughout the coldest months of the year.

Love your home and want to live in comfort? Sign up to get qualified for Sealed's HomeAdvance Comfort Package at no cost to you! HomeAdvance will pre-pay for up to \$6,500 in smart upgrades that will reduce your energy use.

[Get Qualified Today](#)

**Appendix D: My ORU Store: Marketing Email – New Products**

A dimmer for every bulb. No images? Click here

**Orange & Rockland | STORE**


**Up to \$100 off**  
Nest Cam Bundles [Shop Now](#)

**Your Lights Could Be Even Better**  
with dimmable switches from Lutron

**Finally, a Dimmer Made Just For You**

Lutron dimmable switches work seamlessly with all types of light bulbs – including your LEDs. Add this perfect final touch to your lighting setup.

- Easy install will take you less than 15 minutes
- Compatible with over 1,000 types of bulbs



**LUTRON.**

[Shop All Lutron Switches](#)

Your lights can be smart, too. No images? Click here


**Orange & Rockland | STORE**

**ecobee Switch+**  
Smart lighting, Amazon Alexa. All in one switch. [SHOP NOW](#)


Introducing ecobee Switch+, ecobee's new switch that delivers smart lighting and Amazon Alexa in one seamless package. Ask it to turn the lights on or off, set a timer, read you the news or weather, play music or podcasts and more – no additional devices required.

[Upgrade to a Smart Home Today](#)

**7 a.m.**  
Start your day off right.  
Ask Alexa for the lights, news and your commute as you prepare for the day.

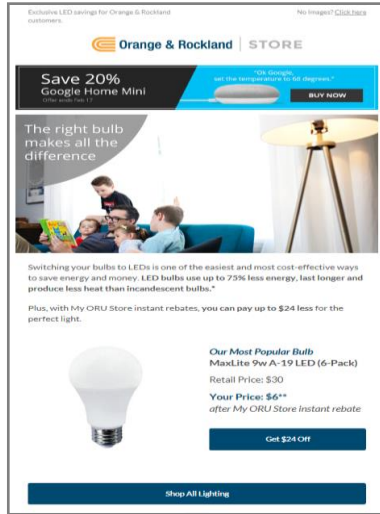


**Noon**  
Look like you're home, even if you're not.  
Keep outsiders guessing by turning on and off the lights from your smartphone throughout the day.

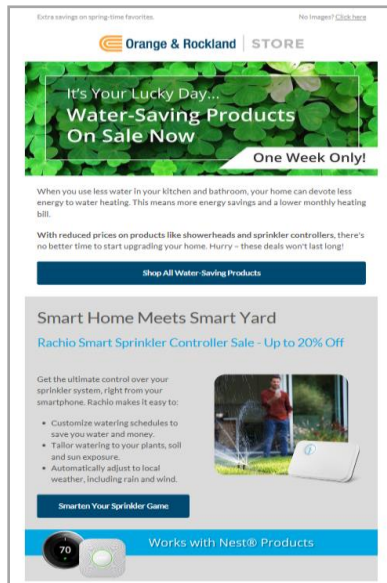




Appendix E: My ORU Store: Marketing Email – Limited Time Offers



Appendix F: My ORU Store – Marketing Email - Suez and Water Saving Emails



Appendix G: My ORU Store – External Communications



Appendix H: My ORU Store – Outreach Events



Appendix I: My ORU Store: Internal Communications

**Savings In Store**  
myORUstore.com Q1 2018 Newsletter

Sealed Customer Service  
(845) 617-5377

Check out Sealed's new home energy package!

Please direct customers to this number for questions regarding audits or the comfort package.

**What's Included in the Comfort Package?**

- Air sealing
- Insulation
- Smart thermostats
- LED light bulbs and more

**How Does it Work?**

- HomeAdvance looks at past energy bills to calculate how much you would've spent each month before making the upgrades. The difference between your old bill and your new bill covers the project costs.
- If the upgrades don't work, HomeAdvance doesn't make money. So they're tied to your success.
- No interest payment. No risk. No catch.
- For qualified NY customers only.

**\$0 In-Home Energy Audits (Also Available!)**  
How does it work?

Orange & Rockland STORE

Appendix J: My ORU Advisor: Sample Emails

Orange & Rockland | ADVISOR [View as Webpage](#) [Log In](#)

**Complete a Tip by March 19 for Your Chance to Win**

Complete an energy-saving tip on the My ORU Advisor website by March 19 to be entered into a drawing for a [Nest 3rd gen Learning Thermostat™](#) from My ORU Store.

**Benefits of a Nest Thermostat:**

- Programs itself, automatically helping you save energy when you're away
- Can be controlled on the go from a smartphone or tablet
- Gives you insight into your energy usage patterns via the Home Report

Don't miss your chance to win this Wi-Fi thermostat, valued at \$249. Complete a tip on the My ORU Advisor web portal today to take advantage of this limited-time offer!

[Complete a Tip to Win](#)

Offer ends on March 19, 2018 at 11:59 p.m. [See complete contest rules for additional information.](#)

Orange & Rockland | ADVISOR [View as Webpage](#) [Log In](#)

**Sign Up by March 19 for Your Chance to Win**

Log in to the My ORU Advisor website by March 19 to be entered into a drawing for a [Nest 3rd gen Learning Thermostat™](#) from My ORU Store.

**Benefits of a Nest Thermostat:**

- Programs itself, automatically helping you save energy when you're away
- Can be controlled on the go from a smartphone or tablet
- Gives you insight into your energy usage patterns via the Home Report

Don't miss your chance to win this Wi-Fi thermostat, valued at \$249, and [access in-sights, tips, rewards and other great online benefits](#) of the My ORU Advisor program.

Sign in today to take advantage of this limited-time offer!

[Sign In to Win](#)

Offer ends on March 19, 2018 at 11:59 p.m. [See complete contest rules for additional information.](#)

Orange & Rockland | ADVISOR [View as Webpage](#) [Log In](#)

**Give Your Home a Break, Too**

Before you head out of town, set up your home for energy-saving success. Use the following checklist to minimize the amount of energy your home will use while you're away and relaxing with family and friends.

- Set your programmable thermostat to "vacation mode"** or turn down the temp to 55 degrees for the duration of your trip.
- Unplug!** Disconnect unused electronics before you go. Game consoles, TVs and laptop computers all use energy even when not in use.
- Set lights on a timer**, rather than leaving them on for security reasons while you're away from home. Explore smart plugs on [My ORU Store](#), which allow you to control your appliances and devices from your smartphone – so you can turn on and off the lights in your home from the beach or the slopes!

[Discover More Efficiency Tips](#)

**Don't Delay! Act Now For a Chance to Win a Nest® Smart Thermostat!**

Log in to My ORU Advisor by March 19 to be entered to win a [Nest 3rd gen Learning Thermostat](#). While you're on the site, explore personalized energy insights, efficiency tips, rewards and more.

[Get Entered to Win](#)