



REV Demonstration Project:
Connected Homes Platform

2017 1Q Quarterly Progress Report

Dated: April 28, 2017

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1.0 EXECUTIVE SUMMARY

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) submits this quarterly report on the progress of the Connected Homes Platform REV demonstration project (“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 (“Commission”) on February 26, 2015.

1.1 PROGRAM ACHIEVEMENTS

On July 1, 2015, Con Edison submitted the Project for approval by Department of Public Service Staff (“DPS Staff”); on January 8, 2016, DPS Staff approved the Project. Con Edison filed an implementation plan for the Project with the Commission on January 29, 2016. The Project launched in Q2 2016 to approximately 275,000 customers in Con Edison’s Brooklyn and Westchester territories. Customers have access to detailed energy insights online and have received targeted offers in their Home Energy Reports and High Usage Alerts for solar panels, Wi-Fi thermostats, Sealed home services, and the Con Edison Marketplace, as eligible.

In Q1 2017, the Project successfully upgraded to the second version of the Con Edison Marketplace (Marketplace 2.0), the second version of the printed Home Energy Reports (HER 2.0), and launched the second round of targeted offerings for Sealed home services, Wi-Fi thermostats, and Marketplace.

1.2 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 Project includes specific protections related to cybersecurity and PII. Assurance of this protection is critical in encouraging customers to sign up with new and innovative services offered by utilities.

1.3 ACCOUNTING PROCEDURE ESTABLISHED

On February 16, 2016, in Case 15-E-0229, Con Edison filed an accounting procedure for the accounting and recovery of all REV demonstration project costs. This accounting procedure establishes a standardized framework that will govern how the Company categorizes and allocates the costs of the REV demonstration projects, and will facilitate analyzing each project to determine the overall financial benefits of the program to customers.

1.4 COSTS, BENEFITS, AND OPERATIONAL SAVINGS

Budget information for all of the Company's REV demonstration projects is being filed confidentially with the Commission, concurrently with the filing of this document. All costs filed are incremental costs needed to implement the projects. To date, no tax credits or grants have been available to reduce the net costs of the projects, but Con Edison will take advantage of such offsetting benefits when they are available. Due to the early stage of implementation for the Project, there are no operational savings to report at this time.

1.5 CONNECTED HOMES PLATFORM

The Project seeks to provide targeted residential customers in selected areas of Con Edison's service territory with a set of tools designed to proactively connect them with cost-effective energy efficiency products and services and distributed generation offerings that will be most relevant to them. The Project is designed to remove barriers to residential adoption of distributed energy resources ("DERs") and animate the DER market by using customer usage data and advanced data analytics to match customer needs with vetted DER products. A set of pre-qualified vendors are being promoted to participating customers through targeted marketing campaigns to demonstrate and evaluate the proof of concept. The targeted marketing campaigns utilize various channels to communicate with customers, including direct and digital, and are administered by Con Edison's partner in the Project, Opower.

2.0 CONNECTED HOMES – QUARTERLY PROGRESS

2.1 DEMONSTRATION HIGHLIGHTS

2.1.1 Since Previous Quarter – Major Tasks Completion

- Launched the 2.0 version of the Marketplace which provides an updated, mobile-first design with a more intuitive and seamless user experience that encourages customers to establish shopper profiles which increase user engagement with the platform.
- Upgraded to the paper Home Energy Report 2.0 which, among other enhancements, has a revamped design that strategically displays information in a way that is digestible and useful for customers.
- Distributed the second round of targeted offerings for Sealed home services, Wi-Fi thermostats and the Marketplace (see Appendix A and B for sample reports).
- Added the Connected Home product categories to the Marketplace to expand the number of energy efficient offerings available to customers.
- Added the “Wi-Fi enabled” filter attribute to the Marketplace, which allows customers to easily search for Wi-Fi enabled washers, dryers and refrigerators.
- Modified the Marketplace Storefront to better highlight the platform as an e-commerce opportunity for shoppers and to increase sales volumes.
- Aligned the Marketplace marketing campaigns, adjusted the marketing budget allocation, and initiated new channels focused on driving Marketplace Storefront purchases.
- Promoted additional Con Edison energy efficiency programs through the Home Energy Reports (furnace/boiler rebates and appliance recycling).

2.1.2 Activities Overview


In Q1 2017, the Con Edison Marketplace was upgraded to the second generation of the webpage. This upgrade included a number of enhancements such as providing customers with the ability to create accounts on the Marketplace, favorite certain items, and sign up for promotional emails related to a search.

The Project also began sending out the second version of the paper Home Energy Reports in February 2017. This new report has a fresh, modern design and doubles down on behavioral science to make the report even more user-friendly. The second round of targeted offerings for Sealed home services, Wi-Fi thermostats, and the Con Edison Marketplace were also sent out in February. These modules were updated from the 2016 campaigns to maintain consistency with the look and style of the new report as well as adapted based on learnings from various messaging strategies tested previously.

Marketing Initiatives:


Email - At the end of Q1, the first of a series of weekly emails that promote the Marketplace Storefront products was sent to a list of 1.6 million Con Edison

customers. The initial segment of 400,000+ customers received an email on March 31, which drove 6,800 visitors to the Marketplace. This led to the sale of 262 units of LED lighting in a single day. In total, the campaign, which continued to April 5, delivered 17,990 sessions, with sales of 807 units. This new strategy will continue to be optimized throughout 2017.


MARKETPLACE


Don't Miss Out: Save Up To 60% on LED Bulbs!

The Con Edison Marketplace is here to help you save energy and money. Get an instant discount of up to 60% on energy saving LED light bulbs when you buy direct from Con Edison Marketplace. Make sure to get yours while supplies last.



Two Pack GE LED A19


Retail price	\$12.99
Con Edison Instant Rebate	-\$8.00
BUY NOW	\$4.99



Osram Sylvania LED A19

Retail price	\$7.99
Con Edison Instant Rebate	-\$4.00
BUY NOW	\$3.99

Find The Right Light
Compare more energy saving light bulbs with instant discounts. Only on Con Edison Marketplace.



Add up the Savings


LED bulbs can potentially save you money in the long run. Compare these average stats for LEDs vs standard bulbs.

LED	vs	Incandescent
\$313	Lifetime Energy Costs	\$1,980
\$22.89	Energy Costs Per Year	\$144.54
30,000	Lifetime (hours)	1,000

\$121.65
potential annual energy savings
based on 10 bulbs each used 6 hours a day

More Marketplace Products


Clothes Washers	Dishwashers	Smart Thermostats
Refrigerators	Air Conditioners	Advanced Power Strips
Electric Water Heaters	Dehumidifiers	Lighting


MARKETPLACE

Save Energy. Stay Comfortable. Get Rewarded.


Did you know that a smart thermostat can help you stay comfortable and save you up to \$145 per year?

Did you also know that Con Edison will reward you with up to \$110 in rebates when you buy one directly from the Con Edison Marketplace? Shop below or see them all [here](#).




Nest

Retail price	\$249.00
Instant rebate*	-\$25.00
SHOP NOW	\$224.00



ecobee 3

Retail price	\$249.00
Instant rebate*	-\$25.00
SHOP NOW	\$224.00



Honeywell 9000

Retail price	\$195.99
Instant rebate*	-\$25.00
SHOP NOW	\$170.99

*Save even more with an **\$85 rebate** in addition to your **\$25 instant rebate**

Add up the Savings

Smart thermostats, like the Nest learning thermostat, can help you save an average of 10-15% per year on your heating and cooling bill.

up to \$145
in annual energy savings.

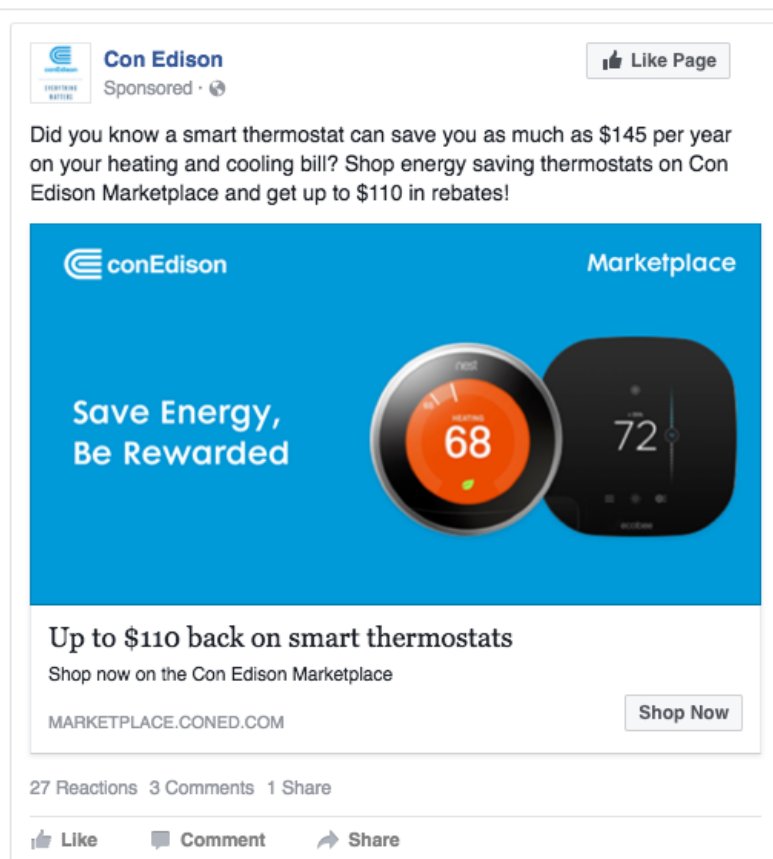
Source: nest.com/thermostat/savings

More Marketplace Products

Clothes Washer	Dishwashers	Smart Thermostats
Refrigerator	Air Conditioners	Advanced Power Strips
Electric Water Heaters	Dehumidifiers	Lighting

Expanded geography - Starting in early March, all Enervee-led marketing efforts were expanded to reach all of Con Edison's service territory. This includes paid search, Facebook, display ads¹ and email campaigns.

Resources allocated to display and Facebook advertisement were scaled back during Q1 based on results from Q4 2016, while new targeting and creatives were prepared to launch in Q2. At the end of Q1, Con Edison and Enervee began creating new campaigns that are targeted to customers by their email address, with messaging and creatives complementing the weekly email campaigns. These have shown promise and will continue to be developed in Q2.



2.1.3 Key Metrics

In Q1, the Project continued to see increasing product leads and purchases as a result of the DER marketing campaigns. For additional details on program results to date, see Appendix D: Full list of metrics and results.

¹ A display ad is a form of online advertising that is typically designed as an image with copy language alongside websites. When customers click on the digital advertisement, they are taken to the corresponding website (e.g. the Marketplace).

Targeted Offering Communications:

The following communications were sent to customers in Q1:

- Over 853,000 Home Energy Reports: 389,129 print and 464,466 digital
- Over 25,000 digital High Usage Alerts
- Over 49,000 customers received targeted offerings for Sealed home services
- Over 38,000 customers received targeted offerings for Wi-Fi thermostats
- Over 145,000 customers received targeted offerings for the Marketplace
- On average, customers opened eHERs (the digital version of Home Energy Reports) at a rate of 43 percent
- High Usage Alerts had a 29 percent open rate

Purchases and Leads:

- Solar Panels:
 - In Q1, the project team recorded 1 qualified solar lead and 1 solar appointment. Note that no solar targeted offerings were sent to customers in Q1.
- Sealed Home Services:
 - In Q1, the project team recorded 123 qualified Sealed leads, 84 assessments, and seven upgrade project purchase and installations.
- Marketplace Storefront Sales:
 - In Q1, the team recorded 549 orders for 453 light bulbs, 83 thermostats and 13 power strips. All purchases were made directly on the Marketplace Storefront. The Marketplace also generated 44 leads to Con Edison's Smart Thermostat program.

Digital Customer Engagement:

The number of visitors and page views on Con Edison's Marketplace decreased due to holiday seasonality, from 126,282 last quarter to 45,186 customers in Q1 and total page views from 218,047 last quarter to 106,359. Marketing techniques have since been re-evaluated and traffic levels are expected to rise in Q2 as the new channels are leveraged further.

Con Edison's Marketplace also raises awareness of other Con Edison programs and track actions taken by visitors. Since inception through Q1 2017, 2,116 Marketplace visitors have clicked through to Con Edison's large appliance rebate offers, and 1,745 smart thermostat shoppers on Con Edison's Marketplace Storefront sought out information on the Smart Thermostat program.

Customers are continuing to explore their energy use trends online: 33 new users logged in this quarter and a total of 897 customers have logged in since the start of the program. Over 72 percent of customers who log into the website take an action (e.g., check off a tip or make a savings commitment). Thirty percent of customers who log in check off a tip, and 55 percent of customers who log in start the online

audit. This user-friendly audit helps customers understand what's using the most energy in their home so that they can focus their actions on behavior changes that will have the greatest impact.

DER Market Activation:

During Q1, Con Edison's Marketplace channeled customers nearly 69,000 times to third-party retail websites. The most popular Marketplace categories were light bulbs, clothes washers and dishwashers.

Energy Savings:

Since the launch of the behavioral Home Energy Report program, customers have saved over 17,700 MWh of electricity (June 2016 through March 2017). In Q1 alone, customers have saved over 5,502 MWh with a 1.22 percent average savings rate.

Estimated indirect energy savings associated with Marketplace Storefront sales in Q1 are 272 MWh and 80,443 Therms on a lifetime basis.

Greenhouse Gas Emissions Reductions:

The behavioral and indirect energy savings through the Marketplace Storefront are estimated to have avoided 8,106,969 pounds of carbon dioxide, 142 pounds of methane and 16 pounds of nitrous oxide emissions in Q1. The behavioral program generated 6,874,759 pounds of carbon dioxide, 135.9 pounds of methane and 15.4 pounds of nitrous oxide emissions. The Marketplace Storefront contributed 1,232,210 pounds of carbon dioxide, 6.1 pounds of methane and 0.6 pounds of nitrous oxide emissions.

2.1.4 Next Quarter Forecast

In Q2 2017, the Project will continue to send targeted offers for Sealed home services, Wi-Fi thermostats, the Marketplace. The Project team is currently updating the Solar targeted offerings creatives for 2017, which will be sent out to customers beginning in June. The team will be experimenting with new designs and behavioral science techniques in order to maximize results.
















Planned Q2 2017 activities for the Marketplace/Storefront include:

- Weekly / bi-weekly email campaigns focused primarily on promoting specific products and deals sold on Storefront will continue.
- Third-party marketing will begin on the Marketplace
- Improved Facebook advertising where customers will be targeted on Facebook through their email address with imagery and offers complementing the email campaigns, and remarketing that will show




products Marketplace customers have previously viewed on Marketplace in advertising.

- New display advertising methods, including delivering display ads to customers who have viewed Enervee's Charge² widget on third party sites such as Digital Trends and Appliance Connections, and targeting in-market shoppers. Optimization and improvement of the display creatives is also planned.
- Ongoing improvements to the Marketplace Storefront user experience.
- Technical and process implementation efforts are underway to ensure a smooth integration between Marketplace and Con Edison's third-party rebate processing partner, with a Q2 target launch which will streamline the customer experience.
- Final planning is being conducted to establish special offers starting in Q2 for small businesses customers and new residential homeowner customers.

Checkpoints/Milestone Progress




Checkpoint/Milestone	Timing*	Status
DER Sales	Phase 2 Midpoint / End	  
Channel and Messaging Effectiveness: <i>Customer Motivation</i>	Phase 2 Midpoint / End	  
Digital Engagement: <i>Integrated Online Experience</i>	Phase 3 start + 6 months	  
Revenue Realization: <i>New Business Models</i>	Phase 2 Midpoint / End	  
Demand Side Management: <i>Customer Co-Benefits</i>	Phase 2 Midpoint / End	  

² Through Enervee Charge, customers who are "in-market shoppers" and have reviewed an appliance on one of our third-party partner sites (Digital Trends, TopTenReviews, Goodeker's) are then displayed Marketplace-oriented ads on other sites they may be browsing.

Checkpoint/Milestone	Timing*	Status
Referrals to Energy Efficiency Rebate Programs	Phase 2 Midpoint / End	  

*Detailed descriptions of the Phases can be found in the Appendix C: Description of Phases.

Legend

 On Schedule	 Delayed w/out Major Impact	 Delayed or Stopped – Project Goals Impacted
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2.1.5 Planned Activities

2.1.5.1 DER Sales

Status: Green

Expected Target by Phase 2 Midpoint: 18,500 purchases

Solutions/strategies in case of results below expectations: First, review overall DER sales by channel and product category to identify over- or under-performing products and services. Examine the possibility of changing the mix of DERs offered through each channel based on this review. Second, review “Channel and Messaging” effectiveness (below) to identify strategies for engaging customers at a higher rate. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.5.2 Channel and Messaging Effectiveness: Customer Motivation

Status: Green

Expected Target by Phase 2 Midpoint: 50 percent recall rates; 16 percent open rates; 2.5 percent click through rates

Solutions/strategies in case of results below expectations: Evaluate results of the content and messaging effectiveness. First, evaluate potential changes in content or layout informed by A/B, or split testing. A/B testing compares two versions of a communication to see which one performs better. Second, evaluate responses by customer segment and assess possibility of customizing content by unique customer segment. Third, evaluate channel effectiveness and assess resource allocation between channels. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.5.3 Digital Engagement - Integrated Online Experience

Status: Green

Expected Target by Phase 2 Midpoint: 70,000 unique visitors each 6-month period

Solutions/strategies in case of results below expectations: Evaluate strategies for generating traffic to online tools. Shift investment between strategies if optimization is needed, add incremental investment to the most effective strategies or develop additional strategies for lead generation if needed. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.5.4 Revenue Realization: New Business Models

Status: Green

Expected Target by Phase 2 Midpoint: \$484,000

Solutions/strategies in case of results below expectations: Evaluate the effectiveness of all messaging strategies (A/B tests, digital and paper channels) and shift communications towards the most effective means to maximize DER sales. Establish a mechanism for competition between DER vendors who wish to feature their products through the Connected Homes Platform in order to identify vendors who can benefit the most from participation in the Project and who are willing to offer the most competitive terms. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.5.5 Demand Side Management: Customer Co-Benefits

Status: Green

Expected Target by Phase 2 Midpoint: 500 MWh (Marketplace Storefront); 10,300 MWh (behavioral energy efficiency); 2.74 MW (behavioral energy efficiency); 5 percent lift in program participation

Solutions/strategies in case of results below expectations: Review balance of energy insights versus promotional content included in outbound content and optimize as needed. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.5.6 Referrals to Energy Efficiency Rebate Programs

Status: Green

Expected Target by Phase 2 Midpoint: 10,300 click-throughs from Marketplace to large appliance rebate applications

Solutions/strategies in case of results below expectations: Evaluate the mix of marketing channels and shift strategies if optimization is needed. Add additional resources to the most effective channels or develop new marketing strategies.

2.1.6 Changes to Project Design

Upgrades to the Marketplace will be made to integrate rebate processing capabilities to architect an improved end-to-end customer experience throughout the research, shopping and rebate process.

2.2 WORK PLAN & BUDGET REVIEW

2.2.1 Phase Progress

The team successfully worked through Phase 0 (Project Development) and Phase 1 (Project Launch), and is now working through Phase 2 (Demonstration Implementation). Phase 0 consisted of submitting the Implementation Plan and completing partner negotiations. Phase 1 consisted of all the activities required to launch the Project: data acquisition, program design and configuration, implementation of the web/Marketplace and call center tools, quality assurance testing and go-live, as well as initial customer community outreach efforts. Phase 2 (Demonstration Implementation) tasks focus on overall maintenance and reporting for the Project. A full description of the major Project phases is set forth in Appendix C: Description of Phases.

2.2.1.1 Updated Work Plan

Demonstration Project - Connected Homes Platform					2015		2016				2017				2018	
Activity No.	Activity Description	Status	Lead		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1.0	Phase 0 - Project Development															
1.1	Project Management	COMPLETE	Con Edison													
1.1.1	Complete Implementation Plan	COMPLETE	Con Edison													
1.1.2	DPS review	COMPLETE	DPS													
1.2	Complete partner negotiations	COMPLETE	Con Edison													
1.2.1	Complete MSA with platform partner	COMPLETE	Con Edison/Opower													
1.2.1.1	Complete SOW with platform partner	COMPLETE	Con Edison/Opower													
1.2.1.2	Contract negotiations w/ DER partners	COMPLETE	Con Edison													
1.2.1.3	Define contact center solutions	COMPLETE	Con Edison													
2.0	Phase 1 - Project Launch															
2.1	Platform Configuration	COMPLETE	Con Edison/Opower													
2.1.1	Data acquisition	COMPLETE	Con Edison/Opower													
2.1.1.1	Complete historical data transfer	COMPLETE	Opower													
2.1.1.2	Configure and load historical and parcel data and prepare automatic	COMPLETE	Opower													
2.1.1.3	Incorporate third party and DER data	COMPLETE	Opower													
2.1.2	Program design and configuration	COMPLETE	Con Edison/Opower													
2.1.2.1	Finalize marketing, branding, and content materials	COMPLETE	Con Edison/Opower													
2.1.2.2	Define customer segmentation strategy and configure application	COMPLETE	Opower													
2.1.3	Implement Web, Marketplace, and Call Center tools	COMPLETE	Con Edison/Partners													
2.1.3.1	Configure Marketplace	COMPLETE	Enervee													
2.1.3.2	Configure Web Portal	COMPLETE	Opower													
2.1.3.3	Contact Center Integration	COMPLETE	Con Edison													
2.1.4	Quality assurance testing and go live	COMPLETE	Con Edison/Opower													
2.1.4.1	Conduct QA testing and receive final sign off	COMPLETE	Opower													
2.1.4.2	Customer service training	COMPLETE	Con Edison/Opower													
2.1.4.3	Deploy Web, Marketplace, print and mail Home Energy Reports	COMPLETE	Opower													
2.2	Ongoing Customer & Community Outreach	COMPLETE	Con Edison													
3.0	Phase 2 - Demonstration Implementation															
3.1	Project Management	IN PROGRESS	Con Edison													
3.1.1	Track program metrics	IN PROGRESS	Con Edison/partners													
3.1.1.1	Track digital and outbound engagement metrics	IN PROGRESS	Opower/Enervee													
3.1.1.2	Track energy efficiency savings	IN PROGRESS	Opower													
3.1.1.3	Report on DER sales	IN PROGRESS	DER Partners													
3.1.1.4	Conduct customer survey	IN PROGRESS	Opower													
3.1.2	Reporting and Evaluation	IN PROGRESS	Con Edison													
3.1.2.1	Deliver Quarterly Reports	IN PROGRESS	All													
3.1.2.2	Annual workshop with stakeholders	IN PROGRESS	All													
3.2	Delivery	IN PROGRESS	Con Edison/Partners													
3.2.1	Deliver core content to customers	IN PROGRESS	Con Edison/Partners													
3.2.1.1	Maintain Marketplace and Web Portal	IN PROGRESS	Opower/Enervee													
3.2.1.2	Maintain contact center solutions	IN PROGRESS	Con Edison													
3.2.1.3	Deliver outbound content	IN PROGRESS	Opower													
3.2.2	Phase in additional web functionality	IN PROGRESS	Con Edison/partners													
3.2.2.1	Additional appliance categories integration for Marketplace	COMPLETE	Enervee													
3.2.2.2	Marketplace launch Storefront and retailer API functionalities	COMPLETE	Enervee													
3.2.2.3	Implement Single-Sign-On	COMPLETE	Opower													
3.2.3	Launch DER targeted promotional messaging	COMPLETE	Con Edison/Partners													
3.2.3.1	DER program design and configuration	COMPLETE	DER Partners/Opower													
3.2.3.2	Deploy web, print and email-based promotions	COMPLETE	Opower													
3.2.3.3	Maintain contact center solutions for new customers	COMPLETE	Con Edison													
3.3	Ongoing Customer & Community Outreach	IN PROGRESS	Con Edison													
4.0	Phase 3 - Project Optimization															
4.1	Project Management	NOT STARTED	Con Edison													
4.1.1	Evaluate project rollout	NOT STARTED	Con Edison													
4.2	Implement competitive bidding	NOT STARTED	Con Edison													
4.2.1	Conduct RFI for additional DER partners	NOT STARTED	Con Edison													
4.2.1.1	Establish qualification criteria for DER partners	NOT STARTED	Con Edison													
4.2.1.2	Prepare RFI for additional DER partners	NOT STARTED	Con Edison													
4.2.1.3	Qualify potential additional DER partners	NOT STARTED	Con Edison													
4.2.1.4	Complete contract negotiations with additional DER partners	NOT STARTED	Con Edison													
4.3	Optimize Program	NOT STARTED	Con Edison/Partners													
4.3.1	Refine Program Design	NOT STARTED	Con Edison/Partners													
4.3.1.1	Refine DER Categories and Pricing	NOT STARTED	All													
4.3.1.2	Optimize Revenue/Benefit Opportunity	NOT STARTED	All													

= Completed Task
 = In Progress Task
 = Not Started Task

2.2.1.2 Updated Budget

Budget information is being filed confidentially with the Commission.

2.3 CONCLUSION

2.3.1 Lessons Learned

Q1 Marketplace traffic declined as expected to just over 45,000 visits (equating to 106,000 page views), following the seasonally strong Q4 holiday period. However, the initial positive results from the refocused Storefront e-commerce-oriented marketing and email campaigns indicate the team is on track to continue to meet traffic targets and reoriented to better meet the Storefront sales targets.

2.3.2 Recommendations

The Project team will continue to adjust the marketing campaigns to find the optimal mix resulting in increased traffic volumes and strong Storefront sales. Finalizing the streamlined online rebate application process in Q2 will be the key next step to build on the improved user experience of the upgraded 2.0 Marketplace platform.

The team is also closely monitoring the performance of individual communications and will be adjusting future creatives and targeted offering campaigns to reflect these learnings.

2.4 INCLUDED APPENDICES

Appendix A: Sample Targeted Offering Paper Report for Wi-Fi Thermostats



Home Energy Report

March 31, 2017

Reference number

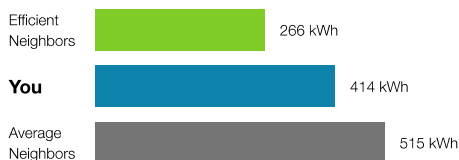
Account number

We've put together this report to help you understand your energy use and what you can do to save. To view more of your energy insights, visit energyreports.conEd.com. If you have any questions about these reports you can contact us at 1-212-460-4738 or energyreports@conEd.com.

Find a list of rebates and energy-saving products and services you can buy.

▶ marketplace.conEd.com

Here's how you compare to neighbors



Mar 3, 2017 - Mar 31, 2017

This is based on 100 similar homes within approximately 1 miles. Efficient neighbors are the 20% who use the least amount of energy. See back for details.

Great
Good
Using more than average

56% more energy
than efficient neighbors

Enjoy the convenience of a smart thermostat



Get ideal home temperatures anytime

A smart thermostat is a user-friendly, WiFi-enabled device that observes your energy usage, learns your preferences, and programs itself in days. It can help you:

- **Maintain comfortable temperatures** all day long.
- **Save money** on your monthly bills.
- **Use energy efficiently** as the seasons change.



Choose your smart thermostat today at marketplace.conEd.com/mytemp.

Tips from efficient neighbors



Wash clothes with cold water
Save up to \$10 per year



Check your air filters every month
Save up to \$105 per year

Turn over ➡

Appendix B: Sample Targeted Offering Paper Report for Sealed Home Services



4 Irving Place, New York, NY 10003

Home Energy Report

February 1, 2017

Reference number

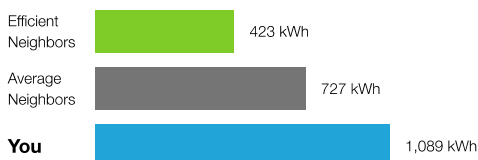
Account number

We've put together this report to help you understand your energy use and what you can do to save. To view more of your energy insights, visit energyreports.conEd.com. If you have any questions about these reports you can contact us at 1-212-460-4738 or energyreports@conEd.com.

Find a list of rebates and energy-saving products and services you can buy.

► marketplace.conEd.com

Here's how you compare to neighbors



Dec 31, 2016 - Feb 1, 2017

This is based on 100 similar homes within approximately 3 miles. Efficient neighbors are the 20% who use the least amount of energy. See back for details.

! You're using more than your neighbors.

50% more energy
than average neighbors

Make your home more comfortable



Sealed can solve your home comfort problems

Whether your house is drafty, dusty, stuffy, too hot, or too cold, you shouldn't have to live with it. Con Edison's partner Sealed—a home energy services company—can identify the home improvements you need most, and have them completed in days.

Enjoy your home even more.



Call **888-985-7481** or visit sealed.com/ConEdison to schedule a no-cost consultation with Sealed today.



Tips from efficient neighbors



Turn down your thermostat when using your fireplace

Save up to \$35 per year



Program your thermostat

Save up to \$210 per year

Turn over ➡

Appendix C: Description of Phases

Phase	0. Product Management	1. Project Launch	2. Demonstration Implementation	3. Project Optimization
Milestone (Stage Gate to Next Phase)	<i>Negotiations Complete</i> <ul style="list-style-type: none"> • Partner contracts signed • DPS approval 	<i>Successful Platform Build</i> <ul style="list-style-type: none"> • Attract vendors in key categories • Successful data transfer 	<i>Platform Utilization</i> <ul style="list-style-type: none"> • Click through rates • Qualified leads • Contact center volume • Vendor retention • Customer satisfaction 	<i>Revenue Realization</i> <ul style="list-style-type: none"> • Revenue per source • Customer satisfaction • Vendor retention
Key Elements	<ul style="list-style-type: none"> • Platform provider contracted • DER providers signed-on 	<ul style="list-style-type: none"> • Develop platform • End-to-end testing • Contact center training • Program go-live 	Evaluate response of specific audiences to <ul style="list-style-type: none"> • DER combinations • Channels • Messages 	<ul style="list-style-type: none"> • Learn how to leverage more granular customer data • Optimize profit by refining categories and pricing • Optimize for energy efficiency gains
DER Categories	N/A	N/A	<ul style="list-style-type: none"> • Rooftop solar • Home energy efficiency audits • Smart thermostats 	<ul style="list-style-type: none"> • Further expansion of DER products and providers • Expand to ESCOs

Appendix D: List of Metrics and Results

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q1 2017 (not cumulative)
DER Sales: Market Animation and Customer Choice & Digital Engagement: Integrated Online Experience	Awareness	Customers aware of DER partners	Response to customer survey questions about awareness of DER offerings in Con Edison's territory	Annually	To be reported in Q3 2017.
		Total number of impressions	Total number of paper and digital communications sent to customers	Quarterly	878,938 total print and digital communications were sent to customers in Q1 2017. 389,129 of those communications were printed, and 489,809 were emailed.
		Open rates (Email Home Energy Reports)	Percent of customers who open email Home Energy Reports (eHERs)	Quarterly	On average, customers opened eHERs at a rate of 43.39 percent.
		Open rates (High Usage Alerts)	Percent of customers who open High Usage Alerts (HUAs)	Quarterly	On average, customers opened HUAs at a rate of 29.3 percent.
		Click through rates (eHERs)	Percent of customers who click on the link/s included in eHERs	Quarterly	On average, customers clicked-through from eHERs at a rate of 1.2 percent.
		Click through rates (HUAs)	Percent of customers who click on the link/s included in HUAs	Quarterly	On average, the click-through rate was 0.67 percent.
		Unique web visits	Number of unique customers who visit the web portal	Quarterly	33 authenticated, first time users visited the web portal in Q1. The Marketplace had 33,807 unique visits.
	Leads and Acquisitions	Qualified solar leads generated	Number of qualified leads from the targeted offerings	Quarterly	1 qualified solar lead.

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q1 2017 (not cumulative)
		Solar installations reported	Number of installations	Quarterly	0 solar installations.
		Thermostats sold	Number of thermostats sold through the targeted offerings	Quarterly	83 thermostats sold.
		Recipients and controls	Number of leads and acquisitions among recipient customers and control customers	Quarterly	To be reported in Q4 2017.
Channel and Messaging Effectiveness: Customer Motivation	Partners	DER partners retained	Percent of DER partners who choose to continue with the targeted offerings	Annually	To be reported in Q3 2017.
	Customers	Positive customer experience	Percent of customers who respond positively to survey questions on their satisfaction with targeted offerings	Annually	To be reported in Q3 2017.
Revenue Realization	Total Revenue	Total revenue to Con Edison	Revenue gained through targeted offerings	Annually	To be reported in Q3 2017.
Demand Side Management: Customer Co-Benefits	Energy / Demand / Benefits	Energy efficiency savings	Energy savings generated by customers as a result of participating in the behavioral program	Monthly	5,502 MWh total in Q1: 1,854 MWh in January, 1,742 MWh in February, 1,906 MWh in March.
		Demand savings (MW)	Demand savings generated by customers as a result of participating in the program	Monthly	7.64 total MW in Q1: 2.49 MW in January, 2.59 MW in February, and 2.56 MW in March.

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q1 2017 (not cumulative)
		Indirect energy savings (Marketplace Storefront sales)	Total kWh savings from product sales from the Marketplace Storefront	Quarterly	Electric savings: 271,842 kWh, Gas savings: 80,443 therms.
		Reduction in greenhouse gas emissions	Greenhouse gas emissions reduction from product sales from Marketplace Storefront and the Behavioral Program	Quarterly	<p>8,106,969 lbs total CO₂, 142 lbs total CH₄, 16 lbs total N₂O from both the Marketplace Storefront and Behavioral Program:</p> <p>Behavioral: 6,874,759 lbs CO₂; 135.9 lbs CH₄; 15.4 lbs N₂O.</p> <p>Marketplace Storefront: 1,232,210 lbs CO₂; 6.1 lbs CH₄; 0.6 lbs N₂O.</p>