



REV Demonstration Project:
Connected Homes Platform

2017 4Q Quarterly Progress Report

Dated: January 29, 2018

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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 early 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.

In Q2 2017, the Project team developed new modules for the SunPower and Sealed campaigns creatives, expanded marketing efforts and added two new revenue streams on the Marketplace: third-party advertising and cost-per-click referrals.

In Q3 2017, the Project team conducted successful marketing and sweepstakes campaigns resulting in significant sales of energy efficient items and revenue generation. The team also launched a new solar experience within the Marketplace designed to increase customer engagement and create a new lead generation revenue stream. Negotiations with a new distributed energy resource (“DER”) partner, Mitsubishi Electric, were also finalized in the quarter, resulting in a new targeted campaign for heat pumps.

In Q4 2017, the Project team wrapped up the 2017 targeted offer campaigns for Sealed home services, smart thermostats, Marketplace products and Mitsubishi electric heat pumps. In addition, the team’s optimization of Marketplace digital engagement campaigns resulted in a 25 percent increase in energy efficient product sales (lighting and thermostats), combined with a 9 percent increase in revenue. These transactions also resulted in a greater than 50 percent increase in lifetime electricity saved quarter-over-quarter. The team also successfully began testing email campaigns to promote the new solar program, resulting in 15 contracts executed.

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 governs how the Company categorizes and allocates the costs of the REV demonstration projects, and facilitates 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.

The program costs have been as planned and the program has driven increases in non-revenue generating benefits, exceeding targets for customer engagement and energy savings. Progress was made in Q4 to maintain revenue generation from targeted offers and to increase the volume and revenue contribution of Marketplace e-commerce sales.

1.5 CONNECTED HOMES PLATFORM

The Project seeks to provide to targeted residential customers in selected areas of Con Edison’s service territory a set of tools designed to proactively connect the customers 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 DERs and animate the DER market by using customer usage data and advanced data analytics to match customer needs with vetted DER products. Con Edison’s partner in the Project, Oracle Utilities, is administering targeted marketing campaigns promoting a set of pre-qualified vendors to participating customers to demonstrate and evaluate the proof of concept. The targeted marketing campaigns utilize various channels to communicate with customers, including direct and digital.

2.0 CONNECTED HOMES – QUARTERLY PROGRESS

2.1 DEMONSTRATION HIGHLIGHTS

2.1.1 Since Previous Quarter – Major Tasks Completion

- Completed the Sealed home services, Mitsubishi Electric heat pumps, Wi-Fi thermostats and Marketplace products targeted offer campaigns for 2017 (see Appendix A and B for sample reports)
- Performed a program lift analysis for product purchases sold on the Marketplace
- Distributed a second email customer survey to gauge customer engagement
- Optimized email and Marketplace advertising campaigns for lighting and thermostats

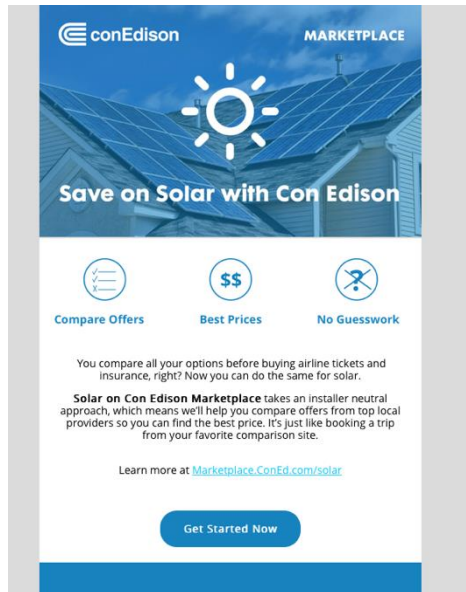
2.1.2 Activities Overview

In Q4, the team finalized the 2017 targeted offer campaigns for the calendar year. In addition, the team updated, distributed and analyzed a second online survey to understand how customers are interacting with their energy reports.

The Project team optimized the Project email and Marketplace advertising campaigns, focusing on e-commerce promotions of lighting and thermostat products and resulting in material increases in sales volumes and revenue generation.

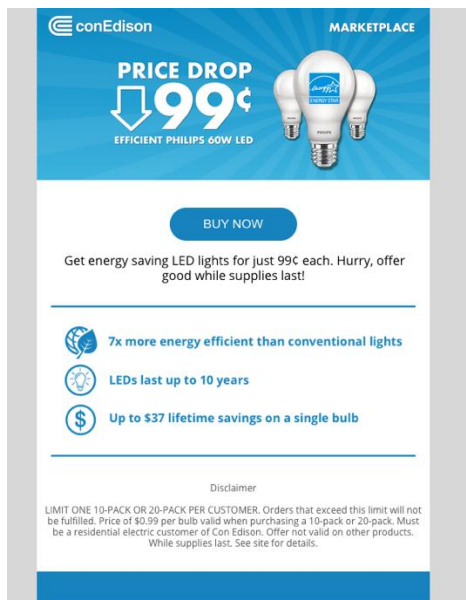
Marketplace Marketing Initiatives:

Solar Email Campaign: After the successful launch of the solar program on Marketplace in Q3, the Project team began developing and testing email campaigns focused on driving solar leads. The campaigns, which reached an audience of 380,00 residential owners between October 14 and November 7, had an above average open rate of 15 percent and a positive click through rate of 1.24 percent (emails sent / clicks). On average, users who reached the solar landing page clicked the call to action more than 50 percent of the time. Since launching the solar program and email promotions through December 2017 there have been 359 leads collected, with 85 proposals created, and 15 closed sales.



Solar promotion email

November/December Lighting Campaigns: During November and December, the Project team ran a series of promotions featuring a Philips A19 at various price points. The promotions were run primarily by email, with some support from social media. More than 41,000 units were sold during the promotion, delivering an estimated energy savings of 1,691,250 kWh.



Lighting promotional email

Black Friday Thermostat Sales: From November 23 through 27, a special promotion was conducted with four thermostat models. The Con Edison instant rebate was

temporarily raised from \$25 to \$75 for the Nest Learning, Nest E, ecobee4, and Honeywell Lyric round thermostats. The Nest Learning also had an additional \$35 discount from the manufacturer for a total savings of \$110 dollars. These products were promoted with two emails, display, and Facebook ad campaigns, resulting in 2,607 thermostats sold and \$340,000 in gross sales. This single promotion moved 70 percent more units than had previously been sold to date for the Project and provided an estimated lifetime energy savings of 271,128 kWh.

2.1.3 Key Metrics

In Q4, 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 C: List of Metrics and Results.

Targeted Offering Communications:

The following communications were sent to customers in Q4:

- Over 783,898 Home Energy Reports: 332,396 print and 451,502 digital
- Over 31,126 digital High Usage Alerts
- Over 69,000 targeted offerings for Sealed home services
- Over 84,000 targeted offerings for Wi-Fi thermostats
- Over 250,00 targeted offerings for the Marketplace
- Over 23,000 targeted offerings for Mitsubishi Electric heat pumps

Purchases and Leads:

- Solar Panels:
 - In Q4, the project team recorded 16 qualified solar leads.
- Sealed Home Services:
 - In Q4, the project team recorded 69 qualified Sealed leads, 12 assessments, 1 project sale.
- Marketplace Storefront Sales:
 - In Q4, the team recorded 4,607 Storefront orders consisting of 43,913 light bulbs, 3,141 thermostats and 11 power strips. The Marketplace also generated 6,464 leads to Con Edison's Smart Thermostat program. The continued use of targeted Storefront campaigns, combined with the optimized product and pricing mix, led to a greater than 25 percent increase in order volumes in Q4, relative to Q3. These volumes also resulted in a 9 percent increase in revenue quarter-over-quarter.
- Mitsubishi Electric Heat Pumps:
 - In Q4, the project team recorded 28 Mitsubishi Electric leads.

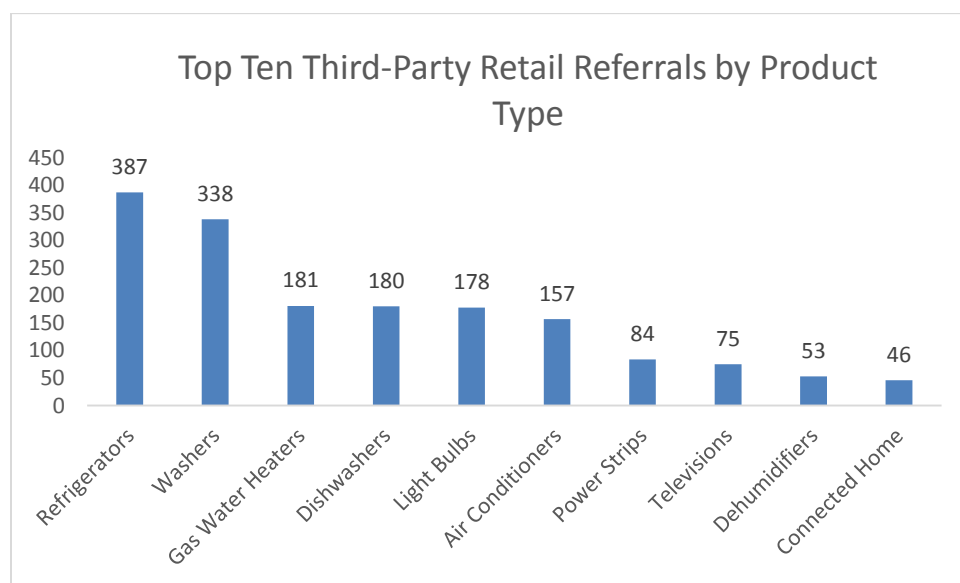
Digital Customer Engagement:

In Q4, Con Edison's Marketplace attracted 126,752 unique visitors, resulting in 534,068 corresponding page views.

The Marketplace is also effective at raising awareness of other Con Edison programs and tracking actions taken by visitors. Since inception through Q4, 8,637 Marketplace visitors have clicked through to Con Edison's large appliance rebate offers, and 12,613 smart thermostat shoppers on Con Edison's Marketplace Storefront sought out information on the Smart Thermostat program.

DER Market Activation:

During Q4, Marketplace customers were directed to third-party appliance retail websites 4,435 times. The most popular Marketplace categories were refrigerators and washers. The popularity of the refrigerator category suggests that customers are influenced by the online Marketplace when shopping for appliances, even when financial incentives are not provided.



Energy Savings:

Since the launch of the behavioral Home Energy Report program, customers have saved over 42,421 MWh of electricity (June 2016 through December 2017). That equates to over \$7.9 in customer bill savings.¹ In Q4 alone, customers saved over 7,010 MWh with a 1.5 percent average savings rate. These results are significantly above forecasted estimates.

¹ Estimated customer bill savings are calculated using the U.S. Energy Information Administration ("EIA") residential price per kWh as of July 2017: 18.82 cents per kWh.

Estimated indirect energy savings associated with Marketplace Storefront sales in Q4 are 23,531 MWh and 3,025,110 Therms on a lifetime basis. These results have already significantly exceeded the program end point goals.

Greenhouse Gas Emissions Reductions:

The behavioral and indirect energy savings through the Marketplace Storefront are estimated to have avoided 69,486,646 pounds of carbon dioxide, 702.55 pounds of methane and 74.23 pounds of nitrous oxide emissions in Q4. The behavioral program saved an estimated 8,761,098 pounds of carbon dioxide, 173.15 pounds of methane and 19.63 pounds of nitrous oxide emissions. The Marketplace Storefront contributed savings of an estimated 60,725,548 pounds of carbon dioxide, 529.4 pounds of methane and 54.6 pounds of nitrous oxide emissions.

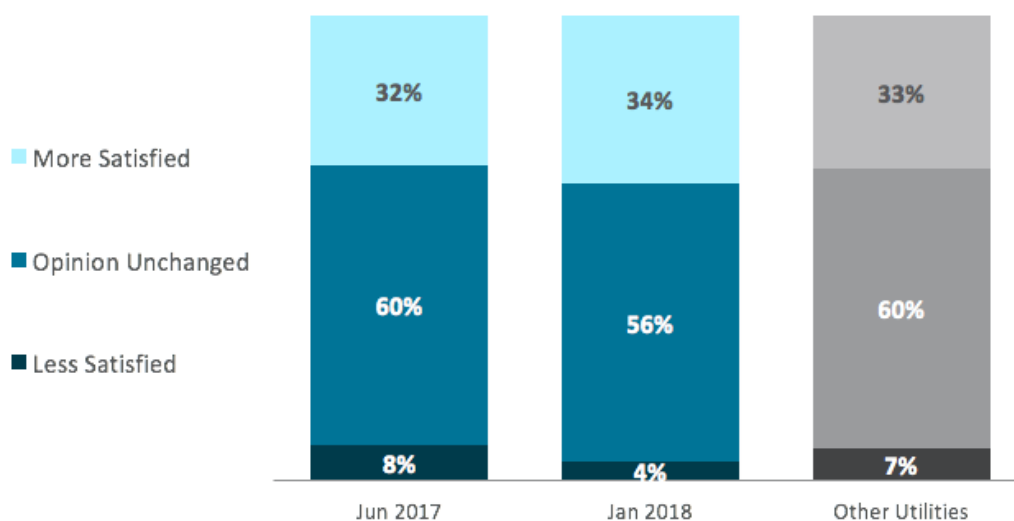
Customer Survey Results

In December of 2017, the team conducted a second online survey to gauge customer sentiment towards the program. A total of 638 responses were submitted from customers, representing over a four percent response rate, around industry average.

General readership of the reports was in line with the previous survey in June 2017 and above average readership levels for similar report programs. Customers began to engage deeper with the reports in the most recent survey; 48 percent of respondents said that they read the report thoroughly, compared to 41 percent just six months prior. Thirty-four percent of customers are now more satisfied with Con Edison as a result of receiving the reports.

Did receiving the report make you more satisfied or less satisfied with Con Edison or did your opinion not change?

255 2018 recalling and reading Home Energy Report recipients; weighted
466 2017 recalling and reading Home Energy Report recipients; weighted



2.1.4 Next Quarter Forecast

In Q1 2018, the team will focus its efforts on channels that maximize energy savings while generating revenue.

Planned Q1 2018 activities for Marketplace include:




- Continued execution of price drop and flash sales, holiday promotions and cross promotions of products.
- Email campaigns promoting the solar program on Marketplace using lessons learned and optimized targeting.
- Continued optimization of paid search and display campaigns to drive rebates and energy savings, in addition to sales of appliances, products and services.
- Adding sponsorship opportunities to editorial and educational emails to provide a new revenue stream and ways to save money and energy for 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	● ○ ○
Referrals to Energy Efficiency Rebate Programs	Phase 2 Midpoint / End	○ ● ○

*Detailed descriptions of the Phases can be found in Appendix D: 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 End: 43,834 purchases (revised since the last quarterly report of 46,200 purchases, see Section 2.1.6 Changes to Project Design).

As of Q4: DER sales are *above expectations*.

As noted in Section 2.1.6 Changes to Project Design, while smaller DER products sold on the Marketplace have exceeded targets, the high-value DER purchases have not met the forecasted program goals. Given this, the team will focus outreach of products, including high-value DERs, within the Marketplace platform. To account for this program change, the Phase 2 End target has decreased by 2,366 purchases.

2.1.5.2 Channel and Messaging Effectiveness: Customer Motivation

Status: Green

Expected Target by Phase 2 End: 16 percent open rates; 2.5 percent click through rates

Due to program changes explained in Section 2.1.6 Changes to Project Design, the team will no longer be reporting on recall rates at Phase 2 End.

2.1.5.3 Digital Engagement - Integrated Online Experience

Status: Green

Expected Target by Phase 2 End: 70,000 unique visitors each six-month period

As of Q4: Digital engagement is *above expectations*.

2.1.5.4 Revenue Realization: New Business Models

Status: Yellow

Expected Target by Phase 2 End: \$489,230

As of Q4: Revenue realization is below expectations.

The Phase 2 End targeted revenue has been updated to reflect recent program changes explained in Section 2.1.6 Changes to Project Design. Revenue generated from high-value DER sales has not materialized as anticipated to date. Given this, the team is focusing all outreach to customers across Con Edison's service territory on products sold on the Marketplace alone. With this change, the revenue forecast has dropped from \$1,210,000 to \$489,230. The revenue contribution from high-value DERs in 2018 has been removed from the Phase 2 End target. Considering these changes, the revenue progress is still slightly below expectations. However, Marketplace-generated revenue is expected to significantly increase in Q1 and Q2 2018 with continued Storefront e-commerce and advertising campaigns, combined with expanded campaigns to take advantage of the progress already demonstrated through the Solar program, and the introduction of a new sponsored email revenue channel.

2.1.5.5 Demand Side Management: Customer Co-Benefits

Status: Green

Expected Target by Phase 2 End: 8,700 MWh (Marketplace Storefront);

Due to program changes explained in Section 2.1.6 Changes to Project Design, the team will no longer be reporting on behavioral energy efficiency savings or measuring program participation lift under this initiative. Instead, the behavioral energy efficiency savings generated from these customers will be applied and expanded to Con Edison's Behavioral Energy Efficiency Home Energy Report program.

2.1.5.6 Referrals to Energy Efficiency Rebate Programs

Status: Yellow

Expected Target by Phase 2 End: 26,000 click-throughs from Marketplace to large appliance rebate applications

As of Q4: Referrals to energy efficiency rebate programs are *below expectations*.

For the majority of the project to date, marketing initiatives were dedicated to driving customers towards e-commerce sales (LEDs and smart thermostats). The team will continue to optimize a mix of marketing campaigns and allocate resources towards energy efficiency appliance rebates.

2.1.6 Changes to Project Design

Based on learnings and revenue results from previous quarters, the project team plans to adjust the current program design to focus on Marketplace product purchases and referrals. The team will capitalize on the successful customer engagement and energy savings generated from the Home Energy Report program, continuing and expanding that piece of the project under Con Edison's Energy Efficiency programs. The REV Demo itself will shift to promote all products on the Marketplace platform. This includes broadening the geographies for all DER products to include all of the Con Edison service territory (beyond the current Brooklyn and Westchester).

Adjustments to Phase 2 End targets for DER Sales (2.1.5.1), Revenue Realization (2.1.5.4), and Demand Side Management (2.1.5.5) are required now that the high-value DER targeted offerings are no longer continuing through the Home Energy Reports under this demonstration project.

- **DER Sales:** The revised Phase 2 End target for DER Sales is 43,834. This includes high-value DER purchases through 2017, plus Marketplace historical and forecasted future purchases. It does not assume any high-value DER purchases in 2018.
- **Revenue Realization:** The revised Phase 2 End target for Revenue Realization is \$489,230. This includes revenue generated from high-value DER purchases through 2017, plus Marketplace historical and forecasted future purchases. It does not assume any high-value DER revenue generation for 2018.
- **Demand Side Management:** The revised Phase 2 End target for Demand Side Management includes only indirect savings generated from the Marketplace product purchases (8,700 MWh by Phase 2 End). All future behavioral savings generated from customers in this demonstration will be tracked under Con Edison's Energy Efficiency Program. To date, customers in the behavioral program have saved 42,421 MWh.

The team will continue to modify the content and mix of Marketplace marketing campaigns to ensure sufficient focus on achieving the revenue generation and energy efficiency Endpoint targets. The team is also pursuing additional partnership and service demonstrations that will be seamlessly layered on top of the Marketplace platform to provide expanded energy efficiency options and an improved customer experience for Con Edison's customers. These offerings, which include financing, insurance and warranty products, sponsored emails, and instant rebates, will also provide additional revenue streams to help achieve the REV Demo objectives.

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) and Phase 3 (Project Optimization).

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. In lieu of a Request for Information ("RFI") process as the Phase 3 Work Plan tasks suggests, Con Edison supported NYSERDA with the development of an online platform, REV Connect. This platform allows DERs to read about and express interest in becoming involved with New York's demonstration projects. The team believes that at this stage in the project, this level of formality in the DER recruitment process is suitable for potential third-party engagement. Nonetheless, a new DER partner, Mitsubishi Electric, was added to the program through an informal referral this quarter, and other DERs have become involved with the online Marketplace (e.g., PickMySolar).

A full description of the major Project phases is set forth in Appendix D: Description of Phases.

2.2.1.1 Updated Work Plan

Demonstration Project - Connected Homes Platform

Activity No.	Activity Description	Status	Lead	2015		2016				2017				2018	
				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 Planning														
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 data	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												
3.2	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	COMPLETE	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	COMPLETE	Opower												
3.2.2	Phase in additional web functionality	COMPLETE	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	IN PROGRESS	Con Edison												
4.1.1	Evaluate project rollout	IN PROGRESS	Con Edison												
4.2	REV CONNECT PLATFORM - DER Online Resource	IN PROGRESS	Con Edison/NYSERDA												
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	New/Modified Task
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2.2.1.2 Updated Budget

Budget information is being filed confidentially with the Commission.

2.3 CONCLUSION

2.3.1 Lessons Learned

The Home Energy Reports were successful in generating energy efficiency savings and driving customer engagement. To date, the 275,000 customers enrolled in the behavioral program have generated over 40,238 MWh in energy efficiency savings, 145 percent of the Phase 2 End target. Customers are also engaging with their Home Energy Reports above anticipated rates; according to a survey conducted in July 2017, 94 percent of participants said that they read the paper reports, and 40 percent open their email reports. Customers find the reports valuable, share information with friends and family, and use the insights within the report to make decisions about their energy usage.

The team also learned that the targeted marketing insights within the Home Energy Reports led more customers to buy energy efficiency products on Con Edison's Marketplace. Twenty-nine percent more recipient customers (customers who received behavioral reports) purchased products overall on the Marketplace than the control group (customers who did not receive any behavioral reports). When using the Home Energy Reports to target a particular product, the boost in DER adoption increased. Con Edison marketed thermostats through the Home Energy Reports and, as a result, 61 percent more participants purchased thermostats than the control group. This demonstrates that the Home Energy Report targeted marketing insights had an impact on customer actions and successfully increased Marketplace purchases.

Within the current program design, revenue generation has been a challenge. In particular, selling large-scale DER products, like solar panels and in home audits, in the selected geographies of this Demo has faced a series of limitations. A significant portion of customers were disqualified from solar panel installations and in home consultations due to faulty or shaded roofs and housing structures. Many Brooklyn customers were disqualified from Sealed in-home audits because they were not detached homes. Given these learnings, the team will be expanding the outreach base for these large-scale DER products beyond Brooklyn and Westchester by promoting the products and services directly on the Marketplace.

The Project team also identified an improved mix of Marketplace ecommerce promotions to improve sales volumes of lighting and smart thermostat products and to maximize revenue generation. Additionally, the initial success of the solar program on Marketplace with limited promotions during the usually quiet winter season has

provided the team with insights on how to establish expanded marketing campaigns for a wider rollout in Q1 2018.

2.3.2 Recommendations

Throughout 2018, the Project team will continue to optimize marketing efforts by a mix of emails, sweepstakes and other digital channels to take advantage of seasonal events. The mix will be adjusted dynamically to meet site traffic, sales volume, and revenue targets.

The Project team is exploring a range of new revenue opportunities for 2018, leveraging the Marketplace platform, including: instant rebates for additional products and appliances, sponsored emails, product warranties, small product financing, home services, and low-income energy efficiency programs. These Marketplace offerings are being evaluated based on their ability to improve the customer experience, increase energy efficiency savings, and generate revenue to offset program costs.

2.4 INCLUDED APPENDICES

Appendix A: Sample Mitsubishi Electric Heat Pump Report

Appendix B: Sample Sealed Home Audit Report

Appendix C: List of Metrics and Results

Appendix D: Description of Phases

Appendix A: Sample Mitsubishi Electric Heat Pump Report



Home Energy Report

October 16, 2017

Reference number 001100000892944

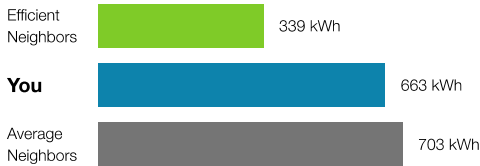
Account number XXX-XX66-0001-2

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



Sep 15, 2017 - Oct 16, 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

96% more energy than efficient neighbors

Upgrade your family's comfort



Make every day more comfortable


Zoned Comfort Solutions™ from Mitsubishi Electric automatically filter out large amounts of dust, bacteria, allergens, and other harmful contaminants, so everyone can breathe in cleaner air and stay happy and healthy. And with whisper-quiet performance, you won't even know it's there.

Plus, you can save up to \$500 with distributor-funded rebates through November 3.

➔ Schedule an in-home consultation now at mitsubishicomfort.com/nebu.



Tips from efficient neighbors

 **Clean your refrigerator coils**
Save up to \$45 per year

 **Replace your inefficient light bulbs with LEDs**
Save up to \$275 over bulb life

Turn over ➔

Appendix B: Sample Sealed Home Audit Report

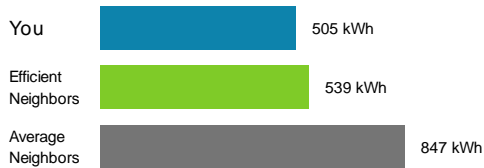


Home Energy Report
October 23, 2017
Reference number 001100000930854
Account number XXX-XX69-0002-4

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



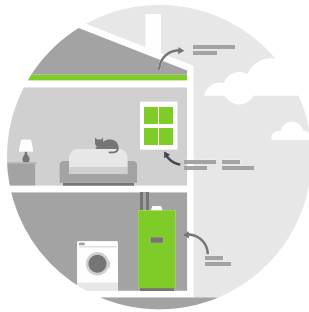
Sep 23, 2017 - Oct 23, 2017

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

6% less energy than efficient neighbors

Your house is leaking



If you use more energy than average, chances are your home is leaking heat and cold air.

Sealed will tell you why your house is losing energy, and deliver solutions to fix it. You'll be more comfortable and use less energy. Your savings help pay for the project—guaranteed!

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



Tips from efficient neighbors



Clear the area around your AC
Save up to \$20 this summer



Make sure refrigerator seals are tight
Save up to \$30 per year

Turn over ➔

Appendix C: List of Metrics and Results

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q4 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	94 percent
		Total number of impressions	Total number of paper and digital communications sent to customers	Quarterly	815,024 total print and digital communications were sent to customers. 332,396 of those communications were printed, and 482,628 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 40 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 27 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 1.62 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 0.5 percent.
		Unique web visits	Number of unique customers who visit the web portal	Quarterly	The Marketplace had 126,752 unique visits.
	Leads and Acquisitions	Qualified solar leads generated	Number of qualified leads from the targeted offerings	Quarterly	16 qualified solar leads.

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q4 2017 (not cumulative)
		Solar installations reported	Number of installations	Quarterly	0 solar installations.
		Thermostats sold	Number of thermostats sold through the targeted offerings	Quarterly	3,141 thermostats sold.
		Recipients and controls	Number of acquisitions among recipient customers and control customers	Quarterly	25 thermostat purchases over 36,146 controls and 271 thermostat purchases over 243,987 recipients 74 Marketplace product purchases over 36,146 controls and 643 Marketplace product purchases over 243,987 recipients
Channel and Messaging Effectiveness: Customer Motivation	Partners	DER partners retained	Percent of DER partners who choose to continue with the targeted offerings	Annually	100 percent
	Customers	Positive customer experience	Percent of customers who respond positively to survey questions on their satisfaction with targeted offerings	Annually	67 percent
Revenue Realization	Total Revenue	Total revenue to Con Edison	Revenue gained through targeted offerings	Annually	16 percent of high value DER revenue projections and 46 percent of Marketplace revenue projections.
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	7,010 MWh total in Q4: 2,687 MWh in October, 2,150 MWh in November, 2,173 MWh in December.

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q4 2017 (not cumulative)
		Demand savings (MW)	Demand savings generated by customers as a result of participating in the program	Monthly	3.2 total MW in Q4: 1.2 MW in October, 1.0 MW in November, and 1.0 MW in December.
		Indirect energy savings (Marketplace Storefront sales)	Total kWh savings from product sales from the Marketplace Storefront	Quarterly	Electric savings: 23,531 MWh, Gas savings: 3,025,110 Therms
		Reduction in greenhouse gas emissions	Greenhouse gas emissions reduction from product sales from Marketplace Storefront and the Behavioral Program	Quarterly	69,486,646 lbs total CO2, 702.55 lbs total CH4, 74.23 lbs total N2O from both the Marketplace Storefront and Behavioral Program: Behavioral: 8,761,098 lbs CO2; 173.15 lbs CH4; 19.63 lbs N2O. Marketplace Storefront: 60,725,548 lbs CO2; 529.4 lbs CH4; 54.6 lbs N2O.

Appendix D: 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