

Reforming the Energy Vision

Demonstration Project Q2 2017 Report

Community Energy Coordination



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1.0 Executive Summary

New York State Electric and Gas (“NYSEG” or “the Company”) submits this quarterly report on the progress of the Community Energy Coordination (CEC) demonstration project. The CEC demonstration project is attempting to reduce customer barriers to the adoption of distributed energy resources (DER).

Through the CEC project NYSEG is marketing three different DER’s; residential solar, community shared solar, and energy efficiency services, directly to its customers. Customers are encouraged to go to an online services marketplace, called NYSEG YES Home Solutions, where they are able to gather information and connect with participating energy efficiency and community shared solar service providers, and receive competitive quotes from residential solar service providers.

Milestones that were met during Q2 2017 included:

- Execution of the project marketing plan
- Analysis of customer response and website traffic
- Online platform refinement
- Analysis of initial service provider results

Plans for Q3 2017 include:

- Execution of targeted online advertising
- Measurement and analysis of customer, service provider, and stakeholder satisfaction
- Analysis of customer response and website traffic
- Analysis of service provider sales conversions
- Transition of YES Home Solution from demonstration project to part of the Energy Smart Community which will include rebranding and additional product offerings as well as additional website functionality

2.0 Demonstration Highlights since the Previous Quarter

2.1 Activity Overview

Major accomplishments during Q2 2017 included:

- Implementation of the project marketing plan
- Three thousand five hundred and fifty eight unique website users
- Three hundred and forty six leads generated
- Project feedback received from participating service providers

2.1.1 Activity: Service Provider Engagement

Feedback discussions were held with individual service providers after several weeks of operating the YES Home Solutions website. Overall, the feedback from service providers was very positive. They expressed excitement and optimism for NYSEG to be in the role of helping to promote distributed energy resources. For some energy efficiency contractors the project contributed to a significant increase in home assessment volume. Some energy efficiency contractors expressed interest in expanding the marketing to areas beyond Tompkins County. The community solar contractor advised that they were pleased with the volume of leads received. The residential solar contractors were reluctantly optimistic about the expected lead to sale conversion rates. Providing competing quotes through an online portal is a new sales model for many solar contractors and they are not sure what the pay-off for this effort might be and how competitive they might be under this new model. All participating service providers expressed interest in continuing participation in the project.

2.1.2 Activity: Active Marketing

Project marketing was executed throughout Q2 and consisted of emails sent to customers each week with the exception of three weeks with no email. A postcard mailing campaign also began at the end of the quarter and will continue into Q3.

A total of 164,543 emails were sent through the end of the quarter with most containing focused solar PV or home energy assessment content.

A total of 2,500 postcards were mailed with focused solar PV content.

To monitor and improve the site and program, a survey was distributed via email on June 22nd to YES Home Solutions website users. Results will be analyzed and reported during the Q3 report.

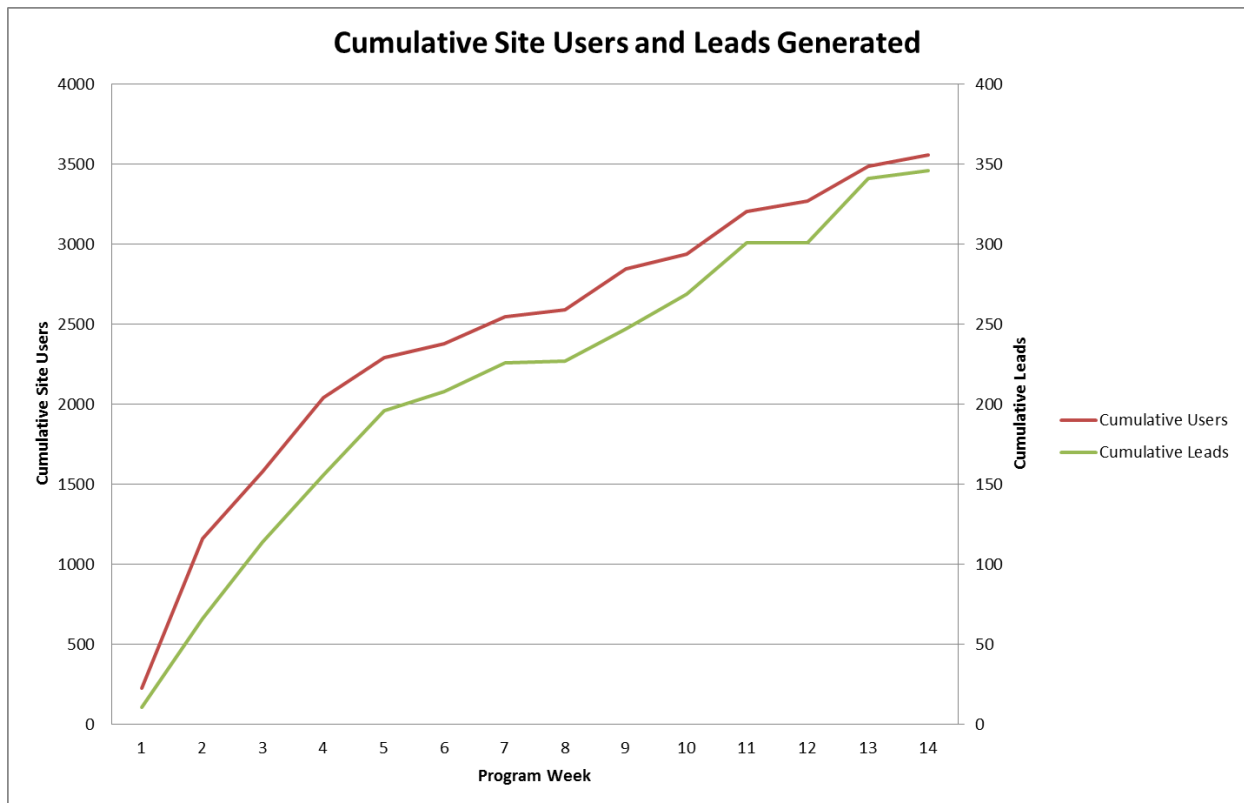
2.1.3 Project Preliminary Results

The project goal is to generate 500 leads during the six-month period of April through September with an estimate of 250 leads being for home assessments and 250 leads being for solar.

Through the end of Q2 a total of 346 leads we generated, which is 69% of the project goal.

There were a total of 3,558 unique site users through the end of Q2 which gives a user to lead conversion rate of 9.7%.

Figure 1: Cumulative Site Users and Leads Generated



The tables below include key project statistics.

Table 1: Marketing

Email Marketing	
# of email recipients	164,543
# of emails opened	45,832
% open rate from emails	28%
# who clicked	2,950
% clicked from those who opened	6%
Post card Marketing	
# of postal mail recipients	2,500

Table 2: Website Usage

Website Statistics	
# of sessions	4,449
# of users	3,558
# of page views landing page	1,977
# of page views home assessment page	1,793
# of page views solar page	1,875
# of page views community solar page	682
# of page views residential solar page	1,145

Table 3: Project Performance

Project Performance	
# of home assessment leads	164
# of community solar leads	47
# of residential solar leads	135
# of total leads	346
User to lead conversion rate	9.7%

Table 4: Contracts

Completed Project / Contracts	
# of energy efficiency project	2
# of community solar projects	0
# of residential solar projects	2

2.2 Metrics and Checkpoints

Table 5: Completed Checkpoints

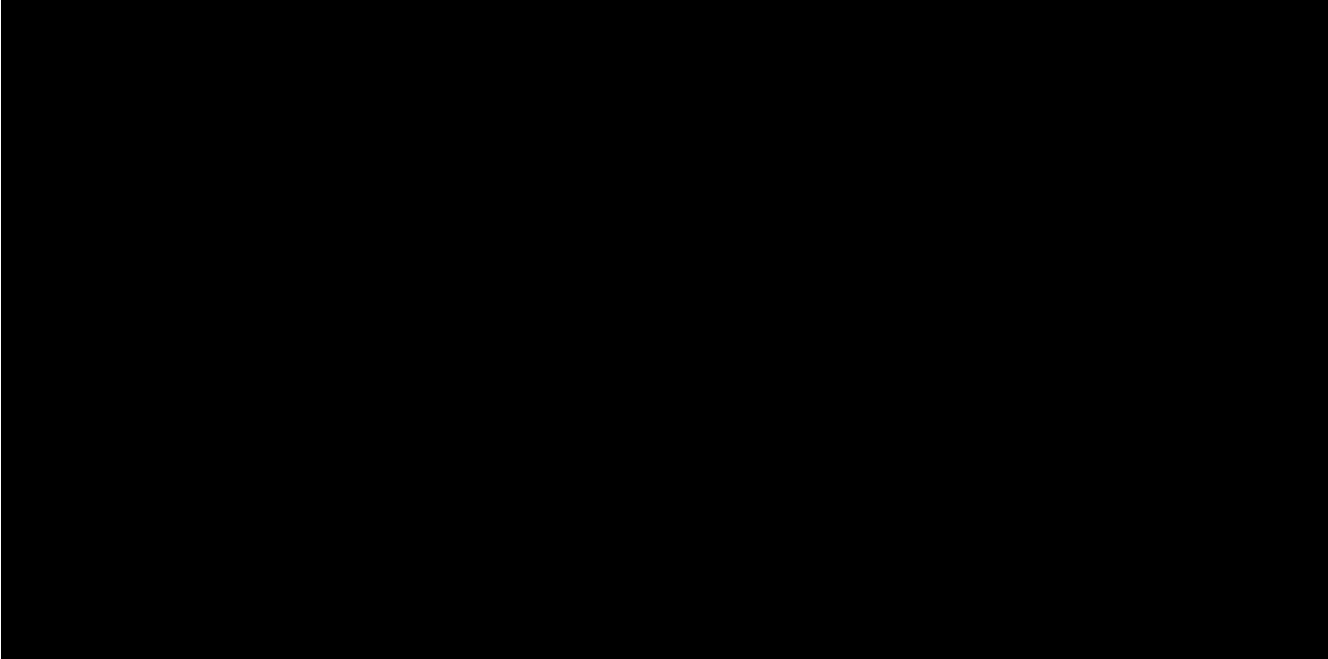
Check Point	Completed
Defined Product Offering	Included in Q1 2016 status report
Identify Target Customers	Q4 2016
Program Design	Completed with signed contractor agreements and launch of site.

Table 6: Check Points

Check Point	Description
Community Stakeholder Support of Project	Measure: Community stakeholders support the project How: Community Advisory Board expresses satisfaction with the project When: Ongoing Results: Community Advisory Board has expressed satisfaction through qualitative surveys. Additional surveys will be conducted during Q3
Customer Response	Measure: Eligible customers response to project communications How: Customer contact tracking Target: 500 leads Actual: 346 % of Target Achieved: 69% When: Ongoing
Customer Adoption	Measure: Eligible customers commitment to project offerings How: Customer sales Target: 100 projects Actual: 4 % of Target Achieved: 4% When: Q3 2017
Revenue Generation	Measure: Lead fees generated How: Documented total lead fees paid by participating service providers Target: \$240 per lead When: Q4 2017
Program Efficiency	Measure: Customer acquisition costs are lower than business as usual How: Documented CEC acquisition cost per # of enrolled customer Target: =< participating service provider benchmark When: Q4: 2017
Service Provider Satisfaction	Measure: Participating service providers are satisfied with the CEC project How: Survey of participating service providers Target: >85% satisfaction with the project When: Q4 2017 Results: Initial satisfaction has been expressed

3.0 Work Plan

3.1 Budget Review



3.2 Work Plan

Table 8: Work Plan

	Ownership	2015		2016				2017			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase 0: Project Development											
Activity 0.1: Regulatory Implementation Plan	NYSEG										
Milestone : Regulatory Approval				x							
Activity 0.2: Service Agreement and Contract with Partner	NYSEG										
Milestone: Contract Signed				x							
Phase 1: Planning & Community Engagement											
Activity 1.1: Community Stakeholder Engagement	NYSEG / Taitem										
Establish Community Advisory Board & Socialize Project Goals	NYSEG / Taitem										
Identify key community stakeholders (approx 5 to 7 groups)	NYSEG / Taitem										
Hold introductory meetings with key stakeholder groups	Taitem										
Hold follow up meetings to gather key interested stakeholder input	Taitem										
Hold information gathering meetings with various potential service providers	Taitem										
Milestone: Key lessons learned from community stakeholder engagement				x							
Activity 1.2: Create Updated Project Scope	NYSEG / Taitem										
Identify project scope based on stakeholder input	NYSEG / Taitem										
Communicate project scope to stakeholders (iterate where needed)	NYSEG / Taitem										
Engage with potential service providers	NYSEG / Taitem										
Create updated product / service scope	NYSEG										
Milestone: Updated Scope Filed in Quarterly Report				x							
Phase 2: Project Planning and Market Solicitation											
Activity 2.1: Service Provider Engagement	NYSEG / Taitem										
Issue service provider RFI's	NYSEG										
Benchmark two successful community-based programs to ID best practices	Taitem										
Identify and engage with potential residential solar service providers	Taitem										
Identify and engage with potential sponsors of Community Solar arrays	Taitem										
Identify and engage with potential energy efficiency service providers	Taitem										
Milestone: Issue Service Provider RFP											
Review proposals and develop terms	NYSEG / Taitem										
Provide offers to service providers for participation	NYSEG										
Collaborate with selected service providers on program details	NYSEG / Taitem										
Milestone: Contracts With Service Providers											x
Activity 2.2: Platform Development	NYSEG / Simple										
Define initial platform scope and specifications	NYSEG										
Milestone: Begin Platform Development											
Facilitate service provider requirements workshop	NYSEG / Simple										
Build platform	Simple Energy										
Test platform	NYSEG / Simple										
Milestone: Platform Ready for Go-Live											x
Activity 2.3 Refine Project Metrics	NYSEG / Taitem										
Draft Business Models for each DER	NYSEG / Taitem										
Milestone: Update Business Models with revenue projections											x
Phase 3: Customer Solicitation											
Activity 3.1: Marketing Plan Development	NYSEG / Taitem										
Market research	NYSEG / Taitem										
Create Marketing Materials	NYSEG / Taitem										
Establish co-marketing with stakeholders	NYSEG / Taitem										
Milestone: Marketing Plan Completed											x
Activity 3.2: Active Marketing	NYSEG / Taitem										
Targeted marketing	NYSEG										
Public awareness campaign through multiple channels	NYSEG / Taitem										
Milestone: Awareness and Response Targets Met											x
Phase 4: Market Animation											
Activity 4.1: Sales Completion	NYSEG / Taitem										
Work with DER service providers to optimize results	Taitem										
Work with NYSEERDA to share data	NYSEG / Taitem										
Measure customer satisfaction	NYSEG / Taitem										
Milestone: Sales Target Met											x
Phase 5: Evaluation											
Activity 5.1: Project Evaluation	NYSEG / Taitem										
Evaluation, measurement, and verification of results	NYSEG / Taitem										
Milestone 1: Revenue Targets Met											x
Milestone 2: Stakeholder Satisfaction Targets Met											x

3.3 Next Quarter Planned Activities

Activity in the third quarter of 2017 will focus on four areas:

1. Continued marketing plan execution
2. Analyzing customer response and website traffic
3. Assessing service provider results
4. Transitioning the project to become part of the NYSEG Energy Smart Community initiative

Marketing plan execution

- Issue email marketing messages to customers as scheduled
- Issue remaining postal mailings as scheduled
- Execute Facebook and Google advertising
- Execute local marketing

Analyzing customer response and website traffic

- Track and analyze the effectiveness of marketing messages based on corresponding website traffic
- Analyze the effectiveness of the online platform content and structure based on customer traffic patterns

Analyzing initial service provider results

- Assess and analyze service provider performance and conversion rates

Transitioning the project to become part of the NYSEG Energy Smart Community initiative

The platform, functionality, and service that was developed by the Community Energy Coordination REV demonstration project will continue to be offered to customer in Tompkins County as part of the ongoing Energy Smart Community initiative. As part of the Energy Smart Community, additional offerings and functionality will be added to the platform which will eventually leverage the data produced by the local smart meter deployment. Initially, energy efficiency product offerings such as LED's and smart thermostats will be made available. There is also consideration to re-brand the website in order to further leverage the NYSEG brand. Additional product offerings and rebranding is expected to be completed by the end of the third quarter with other data enabled functionality made available in 2018.

4.0 Conclusion

The CEC project team looks forward to gathering feedback from customers and contractors as the first quarter since project launch has passed and additional experience is gathered. The learnings will be used to refine future customer programs and to ensure ongoing value creation for customers, service providers, and other stakeholders.