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Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") submits this quarterly report on the progress of the Building Efficiency Marketplace REV demonstration project (the "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 November 10, 2015 DPS Staff approved the Project. Con Edison filed an implementation plan for the Project with the Commission on November 20, 2015. In Q2 2016, the Company focused on the execution of the Project.

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 BUILDING EFFICIENCY MARKETPLACE

The Project is designed to examine how interval meter data analytics can be leveraged to enable targeting and multi-channel engagement of commercial customers with high energy efficiency savings and demand reduction potential. The Project will develop web-based portals to engage customers with details about how their buildings consume energy today, their potential energy savings and demand reduction opportunities, as well as the Marketplace to streamline connections between customers and energy efficiency market partners. Virtual, automated savings measurement and verification will be provided to customers, giving them visibility into achieved savings and maximizing the likelihood that implemented projects continue to perform over time. Con Edison is implementing the Project with its partner Retroficiency, a leading provider of data analytics and software solutions to utilities and commercial customers.

In Q3 2016, the Project team launched the customer Portal, Energy Insights. The Portal provides energy efficiency recommendations to a test population of commercial customers. The execution of the Marketing Plan has commenced along with initial customer interactions. Stakeholders from across the Company have played an integral part in collaboration to advance the Project. Development and integration of the Marketplace environment has commenced. The Portal allows customers to identify specific measure level recommendations and develop potential projects. The Marketplace will allow customers to implement an energy efficiency project with experienced service providers.
2.0 BUILDING EFFICIENCY MARKETPLACE – QUARTERLY PROGRESS

2.1 DEMONSTRATION HIGHLIGHTS

2.1.1 Since Previous Quarter - Major Task Completion

- Launched customer Portal to Phase 1 customers
- Began implementation of the Marketing Plan
  - Mailers sent to Phase 1 customers
  - Targeted email campaign by individual account managers
  - High-touch outreach for the purpose of generating in-person meetings
- Completed Phase 0 tasks
- Executed contract with Marketplace provider, Honest Buildings
- Originated the development of the Marketplace
  - Creation of bid templates
  - API integration

2.1.2 Activities Overview

The Project team launched the Customer Portal, Energy Insights, to the Phase 1 population. This launch coincided with the implementation of the Marketing Plan, to bring this new offering to customers. The development of the Marketplace has begun, which will provide a platform for customers to interact with service providers.

Outreach to all of the Phase 1 customers has commenced. An initial mailer provided the customers with summary information of the recommendations for taking advantage of their potential energy efficiency opportunities, as well as a reference number for accessing the Portal. High-touch outreach to our customers from the account management team at Con Edison is underway. Initial customer outreach has produced positive feedback for the analytical assessments provided by the Portal. Similar feedback has been received regarding the future functionality of the Marketplace.

The Project team has added a new partner, Honest Buildings, for the incorporation of the Marketplace into the customer Portal. With Honest Buildings joining the Project team, not only will the tools for the customer be robust, the schedule for launch of the Marketplace will accelerate. Initial kickoff meetings have taken place and the Project team is working towards the creation of the bid templates and the development of the customer journey with potential integration points between the Portal and Honest Buildings.
2.1.3 **Key Metrics**

Con Edison will begin reporting measurements of key outcomes after the midpoint of Phase 1, in the 2017 Q1 report.

2.1.4 **Next Quarter Forecast**

In Q4 2016, the Project team will continue to bring the Portal to customers in alignment with the Marketing Plan. The feedback that is gained throughout these interactions will help serve the project team as to how to deliver these offering to customers in Phase 2 of the Demonstration. The integration of the Marketplace with the Portal will continue during Q4 2016, with full launch anticipated April 1, 2017.

2.1.5 **Checkpoints/Milestone Progress**

<table>
<thead>
<tr>
<th>Checkpoint/Milestone</th>
<th>Timing*</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participating Market Partners Engaged in Energy Conservation Measures</td>
<td>Phase 2 Initial/Midpoint / End</td>
<td>![Green Circle] ![Yellow Circle] ![Red Circle]</td>
</tr>
<tr>
<td>Customer and Market Partner Engagement</td>
<td>Phase 1 Midpoint / End</td>
<td>![Green Circle] ![Yellow Circle] ![Red Circle]</td>
</tr>
<tr>
<td></td>
<td>Phase 2 Midpoint / End</td>
<td>![Green Circle] ![Yellow Circle] ![Red Circle]</td>
</tr>
<tr>
<td>Projects Implemented</td>
<td>Phase 1 Midpoint / End</td>
<td>![Green Circle] ![Yellow Circle] ![Red Circle]</td>
</tr>
<tr>
<td></td>
<td>Phase 2: Midpoint Year 1 /End Year 1</td>
<td>![Green Circle] ![Yellow Circle] ![Red Circle]</td>
</tr>
<tr>
<td>Revenue Realization</td>
<td>Phase 1 End, Phase 2 End of Year 1</td>
<td>![Green Circle] ![Yellow Circle] ![Red Circle]</td>
</tr>
<tr>
<td>Project Impact</td>
<td>Phase 1 End, Phase 2 End of Year 1</td>
<td>![Green Circle] ![Yellow Circle] ![Red Circle]</td>
</tr>
</tbody>
</table>

*Detailed descriptions of the Phases can be found in the Appendices.

**Legend**

- ![Green Circle] On Schedule
- ![Yellow Circle] Delayed w/out Major Impact
- ![Red Circle] Delayed or Stopped – Project Goals Impacted

2.1.6 **Planned Activities**
2.1.6.1 Participating Market Partners Engaged in ECM

Status: **Green**

**Expected Target by Phase 2 Start:** 30 market partners engaged

**Actual by Phase 2 Start:** N/A

**Solutions/strategies in case of results below expectations:** In line with root-cause analysis, actions may include reassessing targets, increasing marketing and outreach efforts, or adjusting monetization strategies to encourage market partner participation.

2.1.6.2 Customer and Market Partner Engagement

Status: **Green**

**Expected Target by Phase 1 Midpoint:** 6 Customers

**Actual by Phase 1 Midpoint:** N/A

**Solutions/strategies in case of results below expectations:** In-line with root-cause analysis, actions may include reassessing target, increasing marketing and outreach efforts, or portal redesign to increase outreach and drive portal awareness along with surveying customers to inform them of other marketing and customer engagement options.

2.1.6.3 Projects Implemented

Status: **Green**

**Expected Target by Phase 1 Midpoint:** 5% under contract

**Actual by Phase 1 Midpoint:** N/A

**Solutions/strategies in case of results below expectations:** In-line with root-cause analysis, actions may include increased consumer and market partners’ outreach to drive portal awareness along with surveying customers to inform them of other marketing and customer engagement options.

2.1.6.4 Revenue Realization

Status: **Green**

**Expected Target by Phase 1 End:** $177,000

**Actual by Phase 1 End:** N/A
Solutions/strategies in case of results below expectations: In-line with root-cause analysis, actions may include assessing and analyzing the number of participants, average ECM project and projected savings, and engagement success. Depending on which area is identified as a limitation, coordinate with partners on best solution.

2.1.6.5 Project Impact

Status: Green

Expected Target by Phase 1 End: 4.32 Million KWh

Actual by Phase 2 Midpoint: N/A

Solutions/strategies in case of results below expectations: In-line with root-cause analysis, actions may include assessing and analyzing number of participants, average ECM project and projected savings, engagement success, and model validation. In addition, review ECM projects for projected versus actual outcomes and re-validate savings potential. Depending on which area is identified as a limitation, coordinate with partners on best solution.

2.2 CHANGES TO THE PROJECT DESIGN

After incorporating Honest Buildings into the Project team, a new timeline for launch of the Marketplace has been identified. As opposed to the launch coinciding with the start of Phase 2, in Q3 2017, we will be able to offer the Marketplace to customers April 1, 2017, at the start of Q2 2017. This change will be positive, as initial customer meetings have generated a significant interest in the Marketplace.

2.3 WORK PLAN & BUDGET REVIEW

2.3.1 Phase Review

2.3.1.1 Phase Progress

The team has concluded work in Phase 0 (Demonstration Planning). Phase 0 consisted of Project Management, Configuration of Customer Portal, Marketing Strategy & Planning, Data Integration, and Building Analysis. Phase 1 (Demonstration Implementation) tasks began in Q3 2016.
## 2.3.2 Work Plan

### Demonstration Project - Building Efficiency Marketplace

<table>
<thead>
<tr>
<th>Activity No.</th>
<th>Activity Description</th>
<th>Status</th>
<th>Lead</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Overall Demonstration Planning</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>1.1.1</td>
<td>Complete Implementation Plan</td>
<td>COMPLETE</td>
<td>Con Edison</td>
</tr>
<tr>
<td>1.1.2</td>
<td>QM Review</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>1.1.3</td>
<td>Complete GAP with partner</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>1.1.4</td>
<td>Marketing/Planning</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>1.1.5</td>
<td>Engagement Specialist Onboarding</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.1</td>
<td>Customer Portal Configuration</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.1.1</td>
<td>Software Development (Configuration/Test/Launch)</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.1.1.1</td>
<td>Requirements Gathering</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
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<td>2.1.1.2</td>
<td>Design Spec/Development</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.1.1.3</td>
<td>Software Configuration/Testing</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.1.4</td>
<td>Customer Portal Configuration</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.2</td>
<td>Building Analysis and Reporting</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.2.1</td>
<td>Conduct/Update Virtual Energy Assessments (VEA)</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.2.1.3</td>
<td>Continuous release of updates (every 2 weeks)</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.2.2</td>
<td>Monetization Testing</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.2.3</td>
<td>Continuous gathering of requirements for product enhancements</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
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<tr>
<td>2.3</td>
<td>Efficiency Project Portal Configuration (Marketplace)</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.3.1</td>
<td>Software Development (Configuration/Test/Launch)</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
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<tr>
<td>2.3.2</td>
<td>Ongoing Data Analysis (M&amp;V)</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
</tbody>
</table>

### 2015-2018 Timeline

- **Q1**: January - March
- **Q2**: April - June
- **Q3**: July - September
- **Q4**: October - December

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Legend:**
- Green = Completed Task
- Blue = In Progress Task
- Black = Not Started Task
- Yellow = New/Modified Task
2.3.3 Updated Budget

Budget information is being filed confidentially with the Commission.

2.4 CONCLUSION

2.4.1 Lessons Learned

During the development of the project scope, the Company had experience in providing Virtual Energy Assessments (“VEAs”) to our customers and evidence that the VEAs drive customer engagement around energy efficiency. Working with our partner, it was assumed that the contents of the recommendations within the assessments would not alone be enough to develop a scope of work for a potential project. However, it was believed that the VEAs would be an insight into which building energy systems should be identified for efficiency opportunities.

Through our initial high-touch customer communications, the recommendations of the VEAs have provided great value in immediately driving the conversation to specific areas of need. The customers know their buildings and there is value in working together to incorporate existing building conditions into the assessments. The more detail we can provide to the VEAs, the more refined the recommendations become. As a goal is to drive energy efficiency projects for the customer, the next step will be to develop a detailed project scope of work.

2.4.2 Recommendations

The Company recommends the continued high-touch outreach with Phase 1 customers. It is important to work with the Phase 1 customers to further refine the recommendations of the VEA, to develop a project scope of work. When the Marketplace is live, the customers will be able to utilize these developed scopes of work to maximize the value of the Marketplace.
2.5 INCLUDED APPENDICES

The following appendices are included at the end of this Quarterly Progress Report:

Appendix A Building Efficiency Marketplace Customer Portal - Overview Mock Up (preliminary)

Appendix B: Building Efficiency Marketplace Description of Phases
Appendix A: Building Efficiency Marketplace Customer Facing Portal – Overview Mock Up (preliminary)
## Appendix B: Building Efficiency Marketplace Description of Phases

<table>
<thead>
<tr>
<th>Phase Description</th>
<th>Phase 0: Demonstration Planning</th>
<th>Phase 1: Demonstration Implementation</th>
<th>Phase 2: Market Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milestone</strong></td>
<td>Successful Platform Build</td>
<td>Platform Utilization</td>
<td>Marketplace Participation</td>
</tr>
<tr>
<td>(Stage Gate to Next Phase)</td>
<td>Partner contracts signed</td>
<td>- Successful data transfer</td>
<td>- Expansion of Test Population</td>
</tr>
<tr>
<td></td>
<td>DPS approval</td>
<td>Launch Customer Facing Portal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Launch Customer Facing Portal</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key Elements</strong></td>
<td>Platform partner contracted</td>
<td>Develop Marketing Plan</td>
<td>Test the Customer and Market Responses to Monetization Strategies</td>
</tr>
<tr>
<td></td>
<td>Configuration of Customer Portal</td>
<td>Customer and Market Engagement</td>
<td>Further Configure Efficiency Project Portal to meet the needs of the Customers and Market Partners</td>
</tr>
<tr>
<td></td>
<td>Data Integration</td>
<td>Configure Efficiency Project Portal (Marketplace)</td>
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<td><strong>DER Categories</strong></td>
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<td>Energy Efficiency Measures</td>
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<tr>
<td></td>
<td></td>
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