# Table of Contents

## 1.0 Executive Summary

1.1 Program Achievements ................................................................. 2
1.2 Cybersecurity And Personally-Identifiable Information Protection .......... 2
1.3 Accounting Procedure Established ............................................... 2
1.4 Costs, Benefits, And Operational Savings ..................................... 2
1.5 Building Efficiency Marketplace ................................................... 3

## 2.0 Building Efficiency Marketplace – Quarterly Progress ....................... 4

2.1 Demonstration Highlights ................................................................... 4
2.1.1 Since Previous Quarter - Major Task Completion ............................ 4
2.1.2 Activities Overview ..................................................................... 4
2.1.3 Key Metrics ............................................................................... 5
2.1.4 Next Quarter Forecast .................................................................. 5
2.1.5 Checkpoints/Milestone Progress ................................................... 5
2.1.6 Planned Activities ....................................................................... 6
2.1.6.1 Participating Market Partners Engaged In ECM ........................... 6
2.1.6.2 Customer And Market Partner Engagement ................................ 6
2.1.6.3 Projects Implemented .............................................................. 7
2.1.6.4 Revenue Realization ................................................................. 7
2.1.6.5 Project Impact ....................................................................... 7

2.2 Changes To The Project Design ......................................................... 8
2.3 Work Plan & Budget Review ............................................................... 8
2.3.1 Phase Review ............................................................................. 8
2.3.1.1 Phase Progress ...................................................................... 8
2.3.2 Work Plan .................................................................................. 9
2.3.2.1 Updated Budget .................................................................... 9

2.4 Conclusion ...................................................................................... 10
2.4.1 Lessons Learned ......................................................................... 10
2.4.2 Recommendations ..................................................................... 10

2.5 Included Appendices ....................................................................... 10
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 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 Q3 2017, the Company continued the execution of the Project, focusing on customer engagement and documenting customer feedback.

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 has developed a web-based portal to engage customers with details about how their buildings consume energy today, their potential energy savings and demand reduction opportunities, as well as the Energy Insights 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. As of January 1, 2017, Retroficiency has merged with and into its sole owner, Ecova, Inc.

In Q3 2017, the Project team continued implementation, promoting the Energy Insights Portal (“Portal”) and Energy Insights Marketplace to a targeted group of large commercial customers. The Portal allows customers to identify specific measure level recommendations and develop potential projects via the Action Plans page. After developing a project in the Portal, customers will be able to submit their project scopes to Market Partners to elicit project proposals. The Project assumes this level of connection between customers and Market Partners will drive new energy efficiency projects. The Project team will be gathering data throughout the life of the Project to inform this assumption.
2.0 BUILDING EFFICIENCY MARKETPLACE – QUARTERLY PROGRESS

2.1 DEMONSTRATION HIGHLIGHTS

2.1.1 Since Previous Quarter - Major Task Completion

- Customer Engagement
  - Continued high-touch outreach to Phase 1 customers
  - Worked with customers to populate Action Plans
  - Gathered insight, feedback and perspective from customers
- The Energy Insights Marketplace
  - The Project team has worked with customers to scope potential energy efficiency projects
  - Conducted multiple site visits with customers and Market Partners
  - Customers received proposals from potential partners
  - Restructured Marketplace process by measure type
- Phase 2 Expansion
  - Expanded customer data feed to Ecova
  - Analyzed expanded customer data for assessment potential
  - Grouped customer accounts to Parent Accounts
  - Mined data resources for customer contact information
  - Identified Phase 2 customer population

2.1.2 Activities Overview

During Q3 2017, the Project team was able to focus on specific customer projects. The Project team continues to use the energy data analytics to identify opportunities, develop project scopes, and put the tools in the customers’ hands to receive project proposals from Market Partners. After managing the bid process, the Project team is able to leverage the Energy Insights Marketplace to present relevant project documentation to the customers, allowing for side by side comparisons.

The Project team has completed an expansion of our customer population for Phase 2 of the Project. Included in this is the secure transmission of additional customer data to our partner, Ecova. This process began in the second quarter and has been completed in the third quarter. From this process, the Project team has identified additional customer buildings which will receive Virtual Energy Assessments. The customer population has expanded from 300 customers to 1400 customers.
2.1.3 **Key Metrics**

Customer and Market Partner Engagement:

This metric tracks how many Action Plans have been populated in the Energy Insights Portal. The checkpoint goal for this stage of the Project is six Action Plans and there are currently 11. Translating analytical services into energy efficiency projects is critical to demonstrating the value in the marketplace and overall customer interest/affordability in energy efficiency.

Projects Contracted by Utility Consulting Service:

This metric tracks how many projects have been contracted for “Utility Consulting Service.” The Project team has not begun to test contracting with customers for Utility Consulting Service. As we continue to meet with customers and engage them with opportunities for energy efficiency, we are collecting qualitative data on the customer experience which will inform a strategy for Utility Consulting Services. The Project team will revisit this Metric in Phase 2, year 1 midpoint.

2.1.4 **Next Quarter Forecast**

In Q4 2017, the Project team will continue to work with customers to develop projects in the Energy Insights Marketplace. The Project team will track insights gathered through the Energy Insights Marketplace in order to inform new ways of interacting with our customers in the Demonstration Project.

Marketing to the expanded Phase 2 customer population will occur in Q4 2017. The Project team has leveraged internal resources for email marketing. Unlike Phase 1, the Project team will leave an allotment of assessments available for customers that could be included past the go live date for Phase 2.
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</td>
</tr>
<tr>
<td>Customer and Market Partner Engagement</td>
<td>Phase 1 Midpoint / End</td>
<td>Green</td>
</tr>
<tr>
<td></td>
<td>Phase 2 Midpoint / End</td>
<td></td>
</tr>
<tr>
<td>Projects Contracted by Utility Consulting Services</td>
<td>Phase 1 Midpoint / End</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Phase 2: Midpoint Year 1 / End Year 1</td>
<td></td>
</tr>
<tr>
<td>Revenue Realization</td>
<td>Phase 1 End, Phase 2 End of Year 1</td>
<td></td>
</tr>
<tr>
<td>Project Impact</td>
<td>Phase 1 End, Phase 2 End of Year 1</td>
<td></td>
</tr>
</tbody>
</table>

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

Legend

- **Green**: On Schedule
- **Yellow**: Delayed w/out Major Impact
- **Red**: Delayed or Stopped – Project Goals Impacted

2.1.6 Planned Activities

2.1.6.1 Participating Market Partners Engaged in Energy Conservation Measures

**Status**: Green

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

**Actual by Phase 2 Start**: 65 market partners engaged

**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 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: 9 Customers

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 Contracted by Utility Consulting Services

Status: Yellow

Expected Target by Phase 1 Midpoint: 5 percent under contract

Actual by Phase 1 Midpoint: This will be revisited Phase 2, Year 1 Midpoint

Solutions/strategies in case of results below expectations: In-line with root-cause analysis, actions may include reassessing target, 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: Yellow

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, reassessing target, 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: Yellow

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,
reassessing target, 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

No major changes to the project design occurred in the third quarter.

2.3 WORK PLAN & BUDGET REVIEW

2.3.1 Phase Review

2.3.1.1 Phase Progress

### 2.3.2 Work Plan

<table>
<thead>
<tr>
<th>Activity No.</th>
<th>Activity Description</th>
<th>Status</th>
<th>Lead</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>Phase 0 - Demonstration Planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Project Management</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>1.2</td>
<td>DPS Review</td>
<td>COMPLETE</td>
<td>Con Edison</td>
</tr>
<tr>
<td>1.3</td>
<td>Complete DOE with partner</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>1.4</td>
<td>Complete SOW with partner</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>1.5</td>
<td>Marketing Planning</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>1.6</td>
<td>Communication Planning</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>1.7</td>
<td>Engagement Specialist Orientation</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>1.8</td>
<td>Customer Portal Configuration</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.1</td>
<td>Software Development &amp; Configuration/Testing/Launch</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.2</td>
<td>Software Launch</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.3</td>
<td>Continuous testing and data collection</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.4</td>
<td>Data Integration</td>
<td>COMPLETE</td>
<td>Con Edison</td>
</tr>
<tr>
<td>2.5</td>
<td>Continuous gathering of requirements for product enhancements</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.6</td>
<td>Continuous release of updates (every 2 weeks)</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.7</td>
<td>Budget Analysis and Reporting</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.8</td>
<td>Engagement Specialist Onboarding</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.9</td>
<td>Customer Engagement Specialist</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.10</td>
<td>Monetization Planning</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.11</td>
<td>Engagement Specialist Onboarding</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.12</td>
<td>Customer Portal Configuration</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.13</td>
<td>Continuous testing and data collection</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.14</td>
<td>Data Integration</td>
<td>COMPLETE</td>
<td>Con Edison</td>
</tr>
<tr>
<td>2.15</td>
<td>Continuous gathering of requirements for product enhancements</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.16</td>
<td>Continuous release of updates (every 2 weeks)</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.17</td>
<td>Budget Analysis and Reporting</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.18</td>
<td>Engagement Specialist Onboarding</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
<tr>
<td>2.19</td>
<td>Customer Engagement Specialist</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.20</td>
<td>Monetization Planning</td>
<td>COMPLETE</td>
<td>Con Edison &amp; Retroficiency</td>
</tr>
<tr>
<td>2.21</td>
<td>Engagement Specialist Onboarding</td>
<td>COMPLETE</td>
<td>Retroficiency</td>
</tr>
</tbody>
</table>

### 2.3.3 Updated Budget

Budget information is being filed confidentially with the Commission.
2.4 CONCLUSION

2.4.1 Lessons Learned

The Project has sought to bridge the gap between energy efficiency opportunities presented by the Virtual Energy Assessments, in the Energy Insights portal, to having Market Partners provide proposals directly to the customer. Through our first few projects in the Marketplace, the Project team found some technologies can be scoped on behalf of customers, while more complicated projects may require complex design work. The Project team has produced examples of working directly with the customer to scope a project. This approach puts fewer burdens on both the customer and the Market Partner.

2.4.2 Recommendations

The Project team recommends maintaining a focus on the Energy Insights Marketplace as it expands into Phase 2. Every project in the Marketplace can present new and unique challenges for the Project team. Continuing to test new methods within the Marketplace will allow the Project team to better understand the appropriate role for the utility in driving new energy efficiency projects.

2.5 INCLUDED APPENDICES

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


Appendix B: Energy Insights – Action Plan Page

Appendix C: Building Efficiency Marketplace Description of Phases
Appendix A: Energy Insights Portal – Overview Page

MARCH BILL ANALYSIS

$28,834.39  10% decrease since last year

The primary factor that contributed to these changes in your bills is:
16% decrease in your consumption
View usage to get more details

CREATE ENERGY-SAVING ACTION PLANS WITH 1 CLICK

PROPERTY DETAILS
How many floors does your space include?
Appendix B: Energy Insights Portal – Action Plan Page

**Lighting & Controls Plan**

- **Actions Completed**: 0 out of 5
- **Plan Cost**: $45,000
- **Plan Timeline**: 1/27/17 - 3/15/17

**My Actions**

1. **Upgrade Existing Lighting Fixtures to High...**
   - Status: Planned
   - Cost: $30,000
   - Annual Savings: $15,000
   - Start Date: 1/27/17
   - Completion Date: 2/28/17
   - Details: Advancements in lighting technology are dramatically reducing the amount of power needed to meet illumination standards. Most incandescent, T12, and T8 fixtures can be upgraded to options that reduce energy consumption and improve lighting quality.

2. **Optimize/Install Lighting Control System**
   - Status: Planned
   - Cost: $10,000
   - Annual Savings: $2,000
   - Start Date: 1/31/17
   - Completion Date: 2/28/17
   - Details: Install or optimize lighting control systems to ensure that users are customizing their lighting to meet specific needs. Control methods include occupancy sensors, timers, and photocells. This is particularly useful in areas with set schedules of occupancy, preventing unnecessary lighting during unoccupied times.
### Appendix C: Building Efficiency Marketplace Description of Phases

<table>
<thead>
<tr>
<th>Phase</th>
<th>0. Demonstration Planning</th>
<th>1. Demonstration Implementation</th>
<th>2. Market Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milestone (Stage Gate to Next Phase)</strong></td>
<td><strong>Successful Platform Build</strong></td>
<td><strong>Platform Utilization</strong></td>
<td><strong>Marketplace Participation</strong></td>
</tr>
<tr>
<td></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 of Efficiency Project Portal (Marketplace)</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>
<td></td>
</tr>
<tr>
<td></td>
<td>• Building Analysis and Reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DER Categories</strong></td>
<td>N/A</td>
<td>• Energy Efficiency Measures</td>
<td>• Energy Efficiency Measures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Demand Side Management</td>
<td></td>
</tr>
</tbody>
</table>