

Q2 2016 Report

Contents

1.0	Executive Summary.....	1
1.1	Cybersecurity and Personally-Identifiable Information Protection.....	1
2.0	Demonstration Highlights	1
2.1	Major Tasks Completed	1
2.2	Activities Overview	2
2.3	Key Metrics	4
3.0	Third Quarter Planned Activities.....	4
3.1	Checkpoints/Milestone Progress	6
3.2	Expected Changes	6
3.3	Issues.....	6
4.0	Work Plan & Budget Review.....	6
4.1	Phase Review	7
4.2	Updated Work Plan.....	7
4.3	Updated Budget.....	7
4.4	Lessons Learned.....	7
4.5	Recommendations	8
5.0	Appendices.....	8
	Appendix A: Marketing Email Samples.....	9
	Appendix B: Facebook Retargeting Ad Sample	10
	Appendix C: My ORU Store Bill Insert Sample.....	11
	Appendix D: ORU.com Banner Ad & Mobile Banner Ad	12
	Appendix E: Future Marketing Email Samples	13

Updated: July 29th, 2016

Q2 2016 Report

1.0 Executive Summary

Orange and Rockland Utilities, Inc. (O&R or Company) submits this quarterly report on the progress of the demonstration 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 (NYPSC or the Commission) on February 26, 2015.

This demonstration project, known as the Customer Engagement Marketplace Platform (CEMP) was designed to build partnerships with a network of third-party product and service providers to increase customer awareness and education of energy consumption, motivate customers to participate in O&R programs, increase distribution and adoption of Distributed Energy Resources (DER) and develop new revenue streams for O&R and its partners. In Q1 2016, O&R and Simple Energy launched the Marketplace, or the My ORU Store, as one of the first components of the CEMP. In Q1 this e-commerce website was launched to O&R New York residential customers. By the end of Q1 a variety of products were introduced on the My ORU Store including programmable thermostats, LED lighting, advanced power strips, and water/energy saving products. As discussed in more detail below, during Q2, additional products were introduced including air conditioning modlets, used to control room air conditioning units remotely, and a variety of connected home lighting products, as well as home energy assessments and fixed-priced home services.

1.1 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 REV demonstration projects 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.

2.0 Demonstration Highlights

2.1 Major Tasks Completed

Launch of Additional Products

- Connected Home Lighting
- Room Air Conditioning Modlet

Launch of Home Services

- Home Energy Assessments
- Fixed-Price Services

SUEZ Water

- Meetings
- Proposal

My ORU Advisor

- Alpha launch

Training and Education

Marketing and Promotional Strategies

- Digital
- Print
- Promotional Offers
- Outreach

2.2 Activities Overview

Launch of Additional Products

In Q2, O&R continued to expand the My ORU Store by introducing new products and services. The launch included a number of connected home lighting options that allow customers to control lighting color and intensity through Wi-Fi enabled devices. A modlet that provides customers the ability to control their room air conditioners through a Wi-Fi enabled device was also introduced on the My ORU Store. In addition to these new offerings, rebate levels were increased for Tier 1 and Tier 2 advanced power strips based on recent information using the latest Technical Resource Manual, version 3.1.

Launch of Additional Services

O&R added a variety of home services on the My ORU Store such as in home energy assessments provided by Sealed. These assessments are funded through NYSEDA and are offered to our New York residential customers at no cost. These assessments include an in home audit by a BPI certified inspector, which includes a heating system test, infrared home imaging, a blower door test and attic/crawl space examination. Results are provided through a personalized report with suggested home improvements for customers to consider.

O&R also designed, developed and implemented fixed-priced home services utilizing local third party service (TPS) providers. These fixed-price services include a central air conditioning tune-up, programmable thermostat installation, and a special price offer combining both services. Prior to offering these services, focus groups were held with TPS providers to develop the scope of work and pricing structure for the fixed-priced home services. Working sessions were held to create contractor profiles, develop a program workflow that ensures clear and timely communication to customers, and establish program terms and agreements which installers must adhere to.

Suez Water

O&R continued to collaborate with SUEZ Water to discuss opportunities to include energy saving and water conservation products on the My ORU Store by utilizing combined rebates, water conservation tips/suggestions and educational materials.

My ORU Advisor

The My ORU Advisor was released internally to employees who are O&R New York residential customers. The My ORU Advisor includes home energy reports (HER) and the online engagement portal designed to allow customers to view and analyze their energy usage, review energy saving tips, share information with others, and earn rewards for completing energy saving actions. During this limited launch, O&R tested the accuracy of the usage data, as well as the functionality of the online engagement portal. The project team reviewed the home energy reports for content and data accuracy, expanded the energy savings tip library to include a broader list of helpful hints and energy wise actions, and developed a gift card reward program available to customers who take energy saving actions.

Training and Education

The team continued to build awareness of the My ORU Store and the My ORU Advisor through internal company presentations and external marketing initiatives. FAQ guides, along with a training video were developed and distributed during monthly communication meetings to help customer service representatives better understand the My ORU Advisor and provide them tools to answer customer inquiries.

Marketing and Promotional Strategies

A variety of promotional strategies were implemented, including limited time product offers and special pricing through enhanced rebates from suppliers and manufacturers (See Appendix A). Weekly marketing emails continue to drive traffic to the MY ORU Store through targeted messaging of new product and service offerings. Social media advertising and word search optimization have been incorporated to further build awareness of the My ORU Store (See Appendix B). Marketing efforts were expanded beyond digital to include direct mail bill inserts, press releases and community events (See Appendix C). The project team attended community events, including the Rockland County Economic Development Corporation (REDC) Green Council meetings, which were formed to educate the local community on green principals and help members identify sustainable solutions for their businesses. The team participated in the Rockland-Bergen Music Festival, a forum designed to raise community awareness of health, happiness, and well-being by fostering a sustainable culture. O&R also attended the Orange County leadership program which is offered to young business professionals within the county who are interested in community development and long term sustainability of the county.

A Marketplace banner ad was included on the ORU.com website and has been integrated with the ORU mobile site (See Appendix D).

2.3 Key Metrics

As discussed in detail in the Q1 report, the original launch plan had to be refined in Q1, producing lower than expected sales revenue, engagement transactions, and customer energy savings. The launch of TPS providers' offerings, as well as the My ORU Advisor, were pushed from Q1 to Q2. In Q2, challenges with the integration of customer usage data and the functionality of home services on the My ORU Store attributed to further delays as compared to the originally projected timeline. O&R expects to update its launch plan to reflect the current business environment and past unforeseen delays in the Q3 report.

For Q2, the My ORU Store had 13,343 visits to the site, 36,236 page views or customers clicking on a page, and 8,449 new users. Repeat customers represent 45% of the 13,343 visits, indicating that almost half of the users are engaged and returning to the My ORU Store. Through June, there were 431 transactions, consisting of 686 units sold, including both products and services. Cumulatively, year-to-date, there have been a total of 29,585 visits to the site, 69,919 page views, and 18,420 new users.

O&R's marketing metrics listed below are based on specialty retailer industry averages referenced from Epsilon's Q1 2016 report.

Marketing Metrics	Q1	Q2	YTD	IA*
Email Open Rates	25.15%	18.57%	20.64%	18.20%
Email Click Rates	3.06%	1.14%	1.79%	1.30%
Email Click to Open Rates	12.15%	6.16%	8.86%	7.00%
* Industry average (IA)				

Demand Response Metrics

To date, smart thermostats purchased from the MY ORU Store represent 5% of the total enrollments in O&R's Demand Response, Bring Your Own Thermostat Program (BYOT), with 56 customers connecting 70 smart thermostats. The energy savings of these thermostat resources represent up to 70 kW of demand reduction when a load reduction event is called.

3.0 Third Quarter Planned Activities

In Q3, the project team will expand the selection of the My ORU store to introduce larger appliances, such as refrigerators and dehumidifiers, residential solar installations, heating and air conditioning systems, additional fixed-priced services, and include variable priced home service options to customers. Additionally, the My ORU Advisor, which includes the home

energy reports and a new online engagement portal, will launch to 80,000 targeted residential customers in the O&R New York service territory.






















The focus remains on expanding the My ORU Store product line by introducing new products in various categories and at different price points. O&R's goal is to increase water conservation offerings, in an effort to reduce gas usage by introducing additional showerheads and aerators, which promote the use of less hot water. Expanding the connected home devices beyond lighting, to offer home security, such as Wi-Fi enabled cameras, carbon monoxide sensors and alarm systems, is expected to provide added interest to customers. Additionally there are other items being explored, including larger home appliances, such as refrigerators, room air conditioners and dehumidifiers. Given the size of these products, there are challenges with regard to fulfillment, which has resulted in delays in getting these products to market.

In addition to the three fixed-priced home services currently offered on the My ORU Store, the project team plans to expand to other seasonal offerings, such as furnace tune-ups, as well as variable priced services, such as heating and cooling system installations. Efforts are underway to expand our third party service installer network though additional focus group discussions.

The full roll out of the home energy reports (HER) and the My ORU Advisor portal will provide 80,000 customers, in paper and email, with reports containing their usage information, along with comparisons to efficient and similar/neighboring homes. The HER's will also include information on appliance usage and the potential to achieve greater energy savings through Energy Star appliance upgrades. The My ORU Advisor portal will feature an interactive home profile which will allow customers to evaluate energy consumed by each room and appliance in their home. Customers will also have the ability to view and analyze their energy usage, receive energy savings tips, share their individual achievements with other participants, and earn rewards/points by reducing energy usage through energy savings actions.

O&R continues to utilize targeted messaging through specific email content, including product information, enhanced rebates, and limited time offerings (Appendix E). Tracking customer purchase preferences on the My ORU Store will allow O&R to further segment customers and better target emails and advertisements. O&R will implement paid search optimization, initially through Google AdWords, to build awareness and drive customer traffic to the My ORU Store.

3.1 Checkpoints/Milestone Progress

Checkpoint *	Projected Date	Completion Date	Progress Status
Marketplace Launch	1/15/2016	2/2/2016	  
Add Additional Products	2/5/2016	3/30/2016	  
Add Fixed-Price Services	2/5/2016	6/29/2016	  
Marketplace Quarterly Check in	3/22/2016	5/1/2016	  
Add Variable Priced Services	4/1/2016	In Progress	  
Launch HERs and Engagement Platform	5/7/2016	In Progress	  
* These timelines are pending and subject to change as the program evolves			
 Complete  In Progress  Delayed			

3.2 Expected Changes

	2015		2016												2017												2018				
Phase	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May
Phase 0: Implementation - Design and develop program components																															
Phase 1: Launch – Implement marketplace with limited offerings																															
Phase 2: Category Expansion – integrate data analytics and implement complete line of product and offerings.																															
Phase 3: Decision on Project Expansion – evaluate program performance to determine next steps.																															
Phase 4: Revenue Optimization – streamline product and service line to maximize revenue opportunities.																															
Phase 5: AMI Integration – upon implementation of AMI evaluate rate design plans for peak time rebates, TOU analytics, integrate TOU enrollment.																															
Project Schedule																															
Completed																															

The deployment of AMI has been moved to Phase 5. The scheduled rollout of AMI to the O&R service territory will not be available for integration into the marketplace until 2018.

3.3 Issues

There are no significant issues with the program at this time. Minor delays were experienced with the launch of the My ORU Advisor resulting from challenges in integrating customer usage data into the Simple Energy data analytics tool, which will be discussed further under lessons learned.

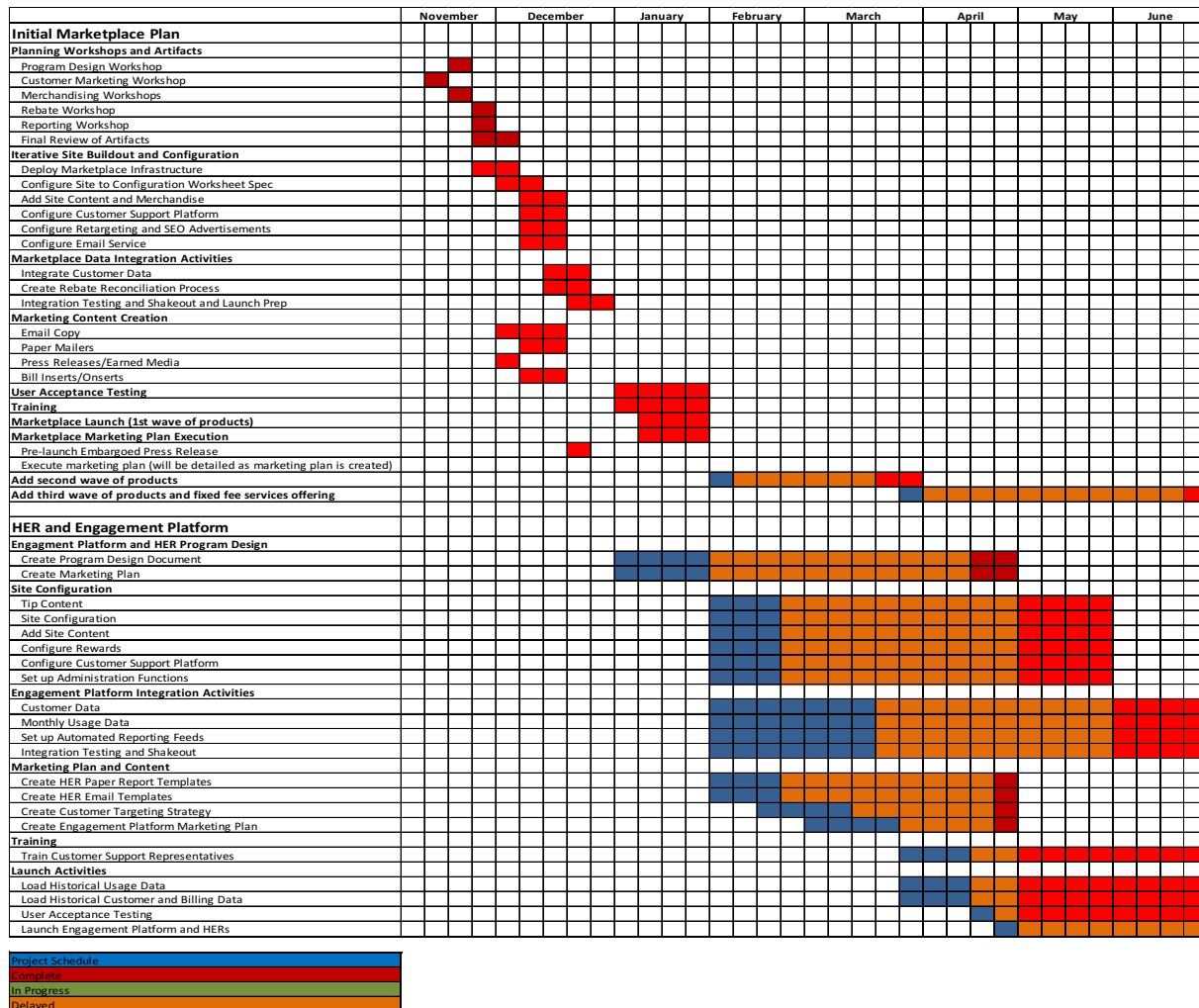
4.0 Work Plan & Budget Review

Actual costs to date will be filed confidentially with the NYPSC concurrently with the filing of this document.

4.1 Phase Review

The program has met key milestones and is on target to accomplish the next phases identified in the updated work plan discussed below.

4.2 Updated Work Plan



4.3 Updated Budget

The program is still currently running under budget at this time due to lower than projected payroll expenses; two positions remained vacant for longer than anticipated.

4.4 Lessons Learned

There continues to be a strong correlation between email promotions, the launch of new products and an increase in sales volume. Collaborative offerings from O&R and manufacturers have enabled testing of limited time offers and higher rebates for customers to increase traffic

to the My ORU Store. This has not only helped increase sales, but has also provided the opportunity to test limited time offerings, establish manufacturer relationships and plan for future opportunities to test product promotions. Problems were experienced when testing the integration of the customer usage data into the My ORU Advisor. Integration took longer than expected because a complete test of a larger sample group of customers was not completed prior to the upload of data to the My ORU Advisor.

4.5 Recommendations

For each phase of work, the O&R project team continues to involve third parties early on in the process to meet timelines, build buy-in and ensure smooth delivery.

5.0 Appendices

Appendix A: Marketing Email Samples

Appendix B: Facebook Retargeting Ad Sample

Appendix C: My ORU Store Bill Insert Sample

Appendix D: ORU.com Banner Ad & Mobile Banner Ad

Appendix E: Future Marketing Email Samples

Appendix A: Marketing Email Samples

 Orange & Rockland

STORE



\$5 for a Honeywell Smart Thermostat

\$15 Now, \$85 Later

The [Honeywell Wi-Fi 7 Day Programmable Thermostat](#) is controllable from your smart phone, tablet, or desktop. Increase your comfort and help save money on your heating and cooling costs.

Want to set it and forget it? No problem. This thermostat uses Smart Response Technology to continually learn when to pre-heat/cool your home so you are comfortable at your pre-programmed times.

Getting Your Instant Rewards


If you have central air conditioning, you can get **\$15 off instantly**, and an **\$85 refund** when enrolling this thermostat in O&R's free Bring Your Own Thermostat energy-saving program. Learn more at the link below or go right to the cart to apply your instant rebate.




Honeywell Wi-Fi 7 Day Programmable Thermostat
List Price: \$105
Price After Rebates: \$5

[Add to Cart](#)

[Learn More](#)

 Orange & Rockland

STORE




The Clock is Ticking

Time is running out to **save an extra \$50** on an [ecobee3 HomeKit-Enabled Smart Thermostat with Remote Sensor](#) – that's on top of your \$15 My ORU Store instant rebate.

You've got less than 42 hours left, so get yours now, before it's too late.

1	17	58	42
Day	Hours	Minutes	Seconds

Until \$50 price markdown ends 6/23, 2:59am EST

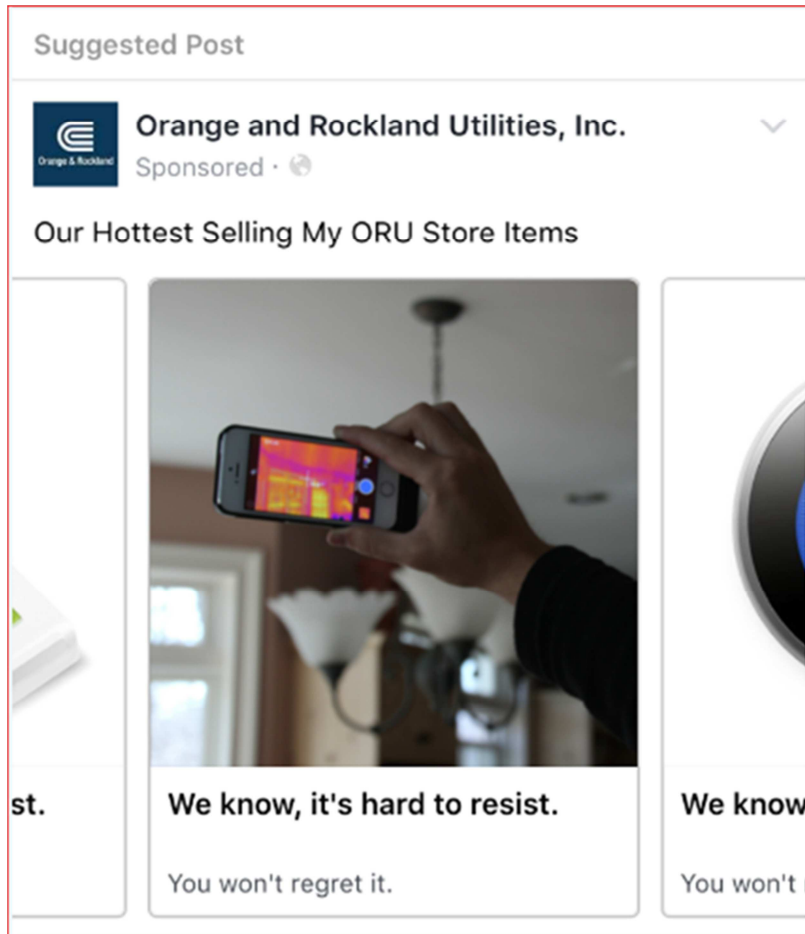


ecobee3 HomeKit-Enabled Smart Thermostat with Remote Sensor
Retail Price: \$249
Limited Time Marked Down Price: \$199
Price After Instant Rebate: \$184

[Add to Cart](#)

[Learn More](#)

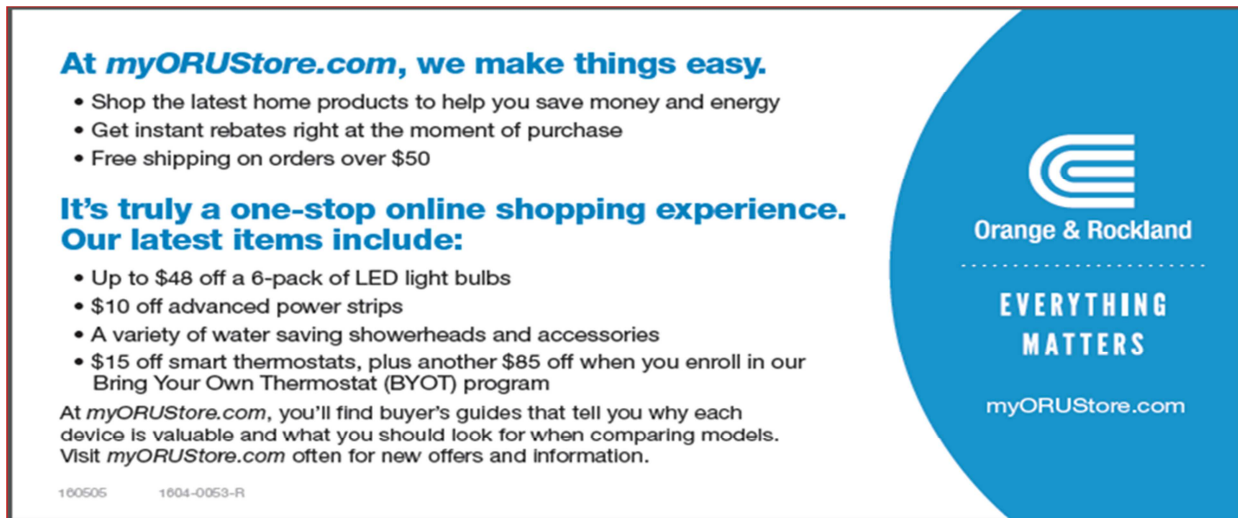
Appendix B: Facebook Retargeting Ad Sample



Appendix C: My ORU Store Bill Insert Sample

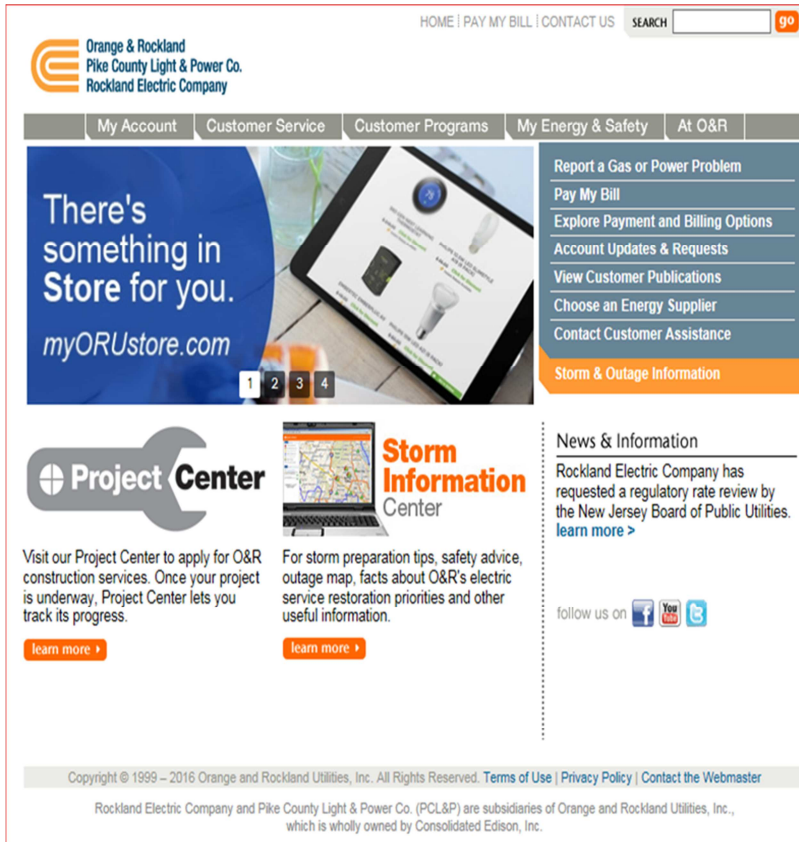


Front side



Back side

Appendix D: ORU.com Banner Ad & Mobile Banner Ad



Orange & Rockland
Pike County Light & Power Co.
Rockland Electric Company

HOME | PAY MY BILL | CONTACT US SEARCH go

My Account Customer Service Customer Programs My Energy & Safety At O&R

There's something in Store for you.
myORUstore.com

1 2 3 4




Project Center
Visit our Project Center to apply for O&R construction services. Once your project is underway, Project Center lets you track its progress.
[learn more](#)

Storm Information Center
For storm preparation tips, safety advice, outage map, facts about O&R's electric service restoration priorities and other useful information.
[learn more](#)

Report a Gas or Power Problem
Pay My Bill
Explore Payment and Billing Options
Account Updates & Requests
View Customer Publications
Choose an Energy Supplier
Contact Customer Assistance

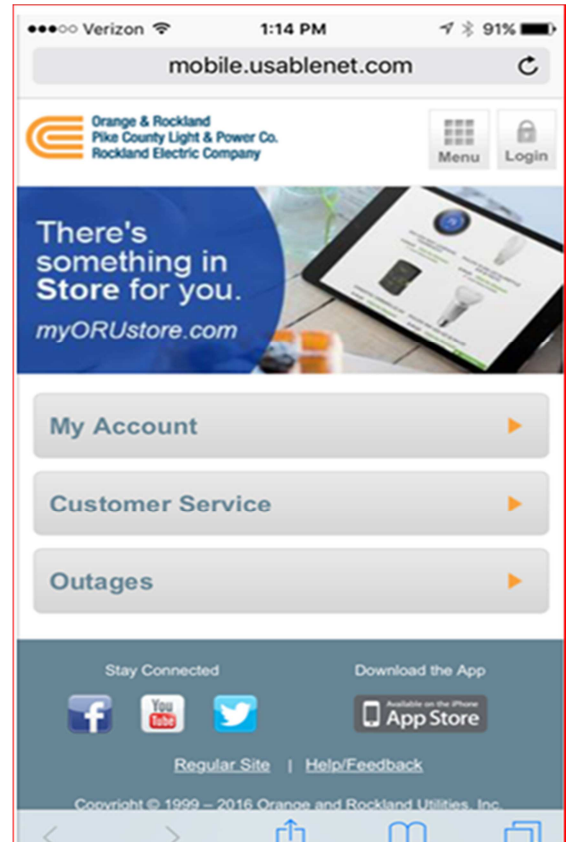
Storm & Outage Information

News & Information
Rockland Electric Company has requested a regulatory rate review by the New Jersey Board of Public Utilities.
[learn more](#)

follow us on   

Copyright © 1999 – 2016 Orange and Rockland Utilities, Inc. All Rights Reserved. [Terms of Use](#) | [Privacy Policy](#) | [Contact the Webmaster](#)

Rockland Electric Company and Pike County Light & Power Co. (PCL&P) are subsidiaries of Orange and Rockland Utilities, Inc., which is wholly owned by Consolidated Edison, Inc.



Verizon 1:14 PM 91%

mobile.usablenet.com

Orange & Rockland
Pike County Light & Power Co.
Rockland Electric Company




Menu Login


There's something in Store for you.
myORUstore.com

My Account

Customer Service

Outages

Stay Connected   

Download the App
Available on the iPhone


[Regular Site](#) | [Help/Feedback](#)

Copyright © 1999 – 2016 Orange and Rockland Utilities, Inc.

Appendix E: Future Marketing Email Samples

 Orange & Rockland | STORE



Is Your AC Keeping You Cool?

Our network of certified home services professionals can help you get 100% out of your air conditioning. Here's a snapshot of new offers and services:

- **\$50 off an AC tune-up:** includes a comprehensive check of condenser, system wiring, air handler, and evaporation systems, plus additional services.
- **Thermostat install:** if you just purchased one of our [smart thermostats](#) but don't want to tackle installation yourself, get it professionally installed.
- **A no-cost home energy assessment:** [If you haven't heard about this great offer by Sealed](#), don't delay.

[Learn More](#)

The link provided will take you to the website of our authorized program implementer, Simple Energy. The Terms of Service and Privacy Policy on that website, <http://www.MyORUStore.com>, will apply.

 Like

 Tweet

 Share

 Orange & Rockland | STORE

CLAIM INDEPENDENCE FROM THE HEAT



It's summer now, but there's no need to swelter. Be free of oppressively stuffy, humid rooms and high energy bills: celebrate Independence Day with a **free Home Energy Assessment** from our partner Sealed.



Sealed Home Energy Assessment

List Price: \$250

My ORU Store Price: \$0

After a \$250 instant online rebate

[Add to Cart](#)

[Learn More](#)