



REV Demonstration Project:
Connected Homes Platform

2016 4Q Quarterly Progress Report

Dated: January 30, 2017

Table of Contents

1.0	Executive Summary	2
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	3
1.5	Connected Homes Platform	3
2.0	Connected Homes – Quarterly Progress	4
2.1	Demonstration Highlights	4
2.1.1	Since Previous Quarter – Major Tasks Completion	4
2.1.2	Activities Overview	4
2.1.3	Key Metrics	7
2.1.4	Next Quarter Forecast	9
2.1.5	Checkpoints/Milestone Progress	10
	Legend	11
	On Schedule	11
	Delayed W/Out Major Impact	11
	Delayed Or Stopped – Project Goals Impacted	11
2.1.6	Planned Activities	11
	2.1.6.1 DER Sales: Market Animation And Customer Choice	11
	2.1.6.2 Channel And Messaging Effectiveness: Customer Motivation	11
	2.1.6.3 Digital Engagement - Integrated Online Experience	12
	2.1.6.4 Revenue Realization: New Business Models	12
	2.1.6.5 Demand Side Management: Customer Co-Benefits	12
2.1.7	Changes To Project Design	13
2.2	Work Plan & Budget Review	13
2.2.1	Phase Progress	13
	2.2.1.1 Updated Work Plan	14
	2.2.1.2 Updated Budget	14
2.3	Conclusion	14
2.3.1	Lessons Learned	14
2.3.2	Recommendations	15

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. In Q2 2016, the Project launched to approximately 275,000 customers in Con Edison’s Brooklyn and Westchester territories. In Q3, eligible customers began receiving solar panel targeted offerings in their Home Energy Reports. Also in Q3, customers began receiving High Usage Alerts (email alerts informing customers when they are on track for a high bill) and direct small product purchases (light bulbs, power strips and thermostats) were enabled on the Marketplace Storefront.¹ In Q4, targeted offerings for Wi-Fi thermostats, Sealed home services, and Con Edison’s online Marketplace were promoted through print and digital Home Energy Reports.

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.

¹ The Marketplace is an online portal that allows customers to browse energy efficient products and services across a variety of categories (e.g., energy score or price) to drive energy efficiency outcomes in their home. The Marketplace provides an automated recommendation engine for product searches, product-specific energy information, including efficiency and incentive details for specific products, as well as local stores and referrals to online and offline retailers for purchasing products. The Marketplace Storefront is a feature enhancement enabled in July 2016 that allows customers to purchase specified small efficiency products (e.g., light bulbs, thermostats, power strips) directly on the Marketplace.

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 CONNECTED HOMES PLATFORM

The Project seeks to provide targeted residential customers in selected areas of Con Edison's service territory with a set of tools designed to proactively connect them 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 distributed energy resources ("DERs") and animate the DER market by using customer usage data and advanced data analytics to match customer needs with vetted DER products. A set of pre-qualified vendors are being promoted to participating customers through targeted marketing campaigns to demonstrate and evaluate the proof of concept. The targeted marketing campaigns utilize various channels to communicate with customers, including direct, digital, and the online Marketplace, and are administered by Con Edison's partner in the Project, Opower.

In Q4 2016, the Project successfully launched targeted offerings in print and digital Home Energy Reports for Sealed home services, Wi-Fi thermostats, and Marketplace. In early October, eligible customers began receiving print/digital Home Energy Reports with Wi-Fi thermostat and Marketplace targeted offers. Sealed offers went out to eligible customers beginning in late October. At this time, Con Edison has acquired qualified leads and product sales for all DER partners.

2.0 CONNECTED HOMES – QUARTERLY PROGRESS

2.1 DEMONSTRATION HIGHLIGHTS

2.1.1 Since Previous Quarter – Major Tasks Completion

- Launched the Sealed home services, Wi-Fi thermostat and Marketplace targeted offering campaigns; fully trained call center personnel; sent customers communications; and developed weekly reports in conjunction with DER partners to monitor progress.
- Added link to Con Edison's REV Demo video to email Home Energy Reports and email High Usage Alerts (see Appendix B).
- Promoted additional energy efficiency programs through custom marketing modules in the paper Home Energy Report (refrigerator recycling, appliance rebates, and furnace/boiler rebates)
- Collected inputs and completed configurations for the second-generation paper Home Energy Report (HER 2.0), going out to customers in Q1 2017. See Section 2.1.4 Next Quarter Forecast for a detailed description of HER 2.0.
- Launched holiday promotions during Black Friday / Cyber Monday period for Wi-Fi Thermostats on the Marketplace Storefront.

2.1.2 Activities Overview

In this quarter, the Project team finalized and sent creative targeted offering campaigns for Sealed home services, Wi-Fi thermostats, and the Marketplace. These campaigns included three custom digital marketing modules within email Home Energy Reports, one custom paper insert and two custom print marketing modules within the paper Home Energy Reports. For sample creatives, see Appendix A: Marketplace, Thermostat and Sealed sample Targeted Offering Home Energy Report (print). Along with the creatives, the Project team prepared weekly reports to monitor progress and to inform program design decisions.

In addition to promoting targeted offers, the team sent energy efficiency marketing modules to promote other Con Edison programs, such as refrigerator recycling, appliance rebates, and furnace/boiler rebates. All inputs were gathered for the upgraded version of the paper Home Energy Report (HER 2.0), scheduled to go out to customers in February 2017. See Section 2.1.4 Next Quarter Forecast for a detailed description of HER 2.0.

The team also negotiated special offers with Nest and ecoBee to run associated Black Friday / Cyber Monday holiday marketing campaigns for Wi-Fi thermostats on the Marketplace Storefront in November. This campaign resulted in 55 transactions, 72 thermostats sold and 310 clicks to the Bring Your Own Thermostat program. ("BYOT").

Con Edison Marketing Initiatives:

Display

- General Marketplace display ads ran with CBS and NY Daily News 8/15/2016 –12/16/2016
- Black Friday/Cyber Monday ads which ran from 11/23/16-11/30/16

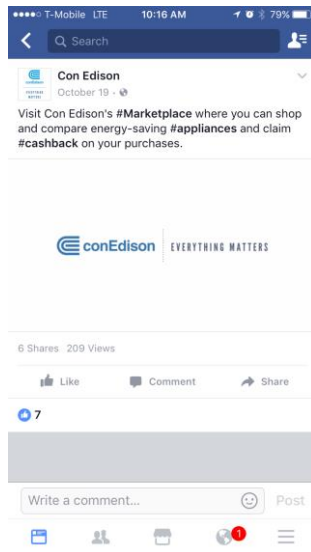


Social

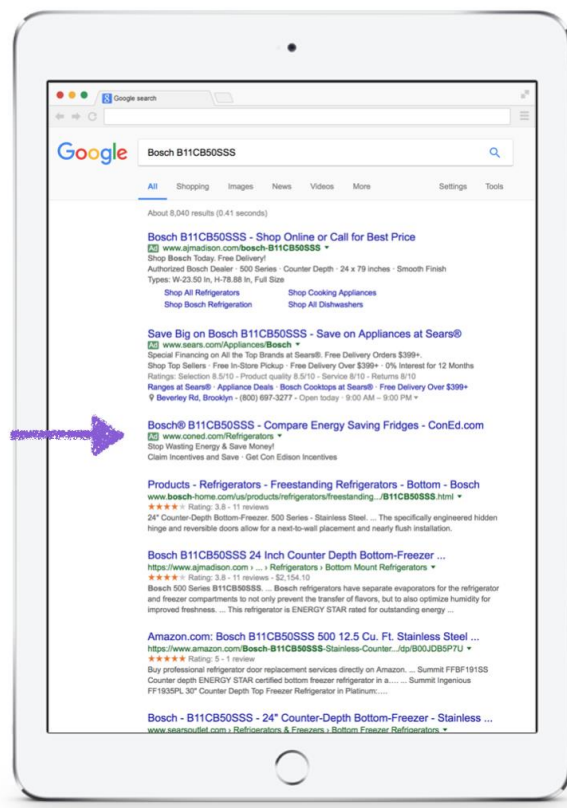
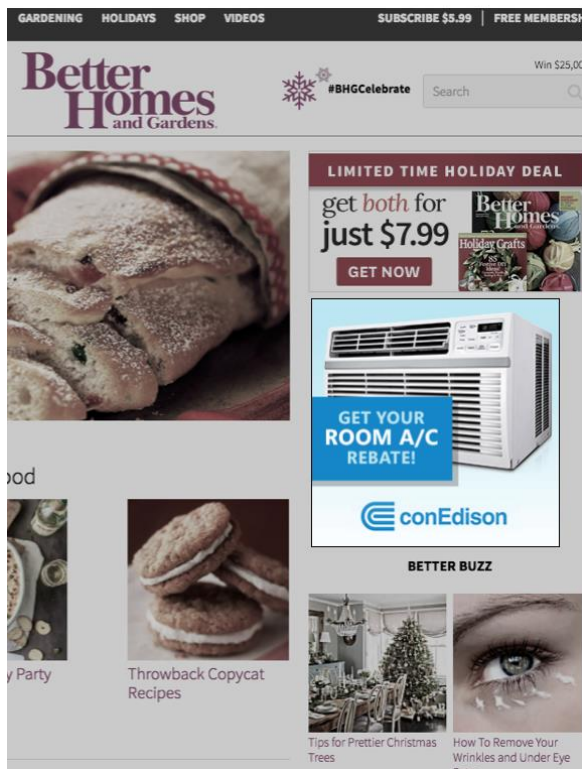
- Marketplace ads on Facebook ran from 8/15/16 - 11/30/16, including the Black Friday/Cyber Monday ads which ran from 11/23/16 - 11/30/16
- Tested the messaging effectiveness of ads that featured products vs. ads with people and products through an A/B test; products highlighted included air conditioners, gas/water heaters and dish/clothes washers

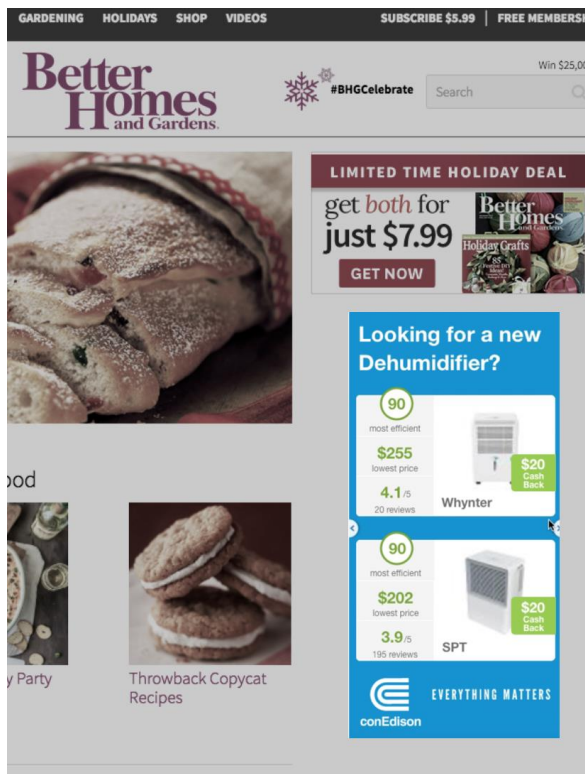
Corporate

- On 10/19/16, a 15-second video was launched on the Con Edison Twitter account
- On 10/19/16, a thirty-second video was launched on the Con Edison Facebook account
- A press release on 12/2/16 "FOUR HOLIDAY ENERGY TIPS" included Marketplace
- Bill envelopes promoted the Marketplace in December (see Appendix C).



Additional Display Ads:





2.1.3 Key Metrics

In Q4, the project began to see noticeable results described below from the targeted offerings in the Home Energy Reports and other marketing efforts. For additional details on program results to date, see Appendix E: Full list of metrics and results.

Customer Communications:

The following communications were sent to customers in Q4:

- Over 887,996 Home Energy Reports: 379,439 print and 508,557 digital
- 26,948 digital High Usage Alerts
- Over 95,000 customers received targeted offerings for SunPower solar panels
- Over 39,000 customers received targeted offerings for Sealed home services
- Over 101,000 customers received targeted offerings for Wi-Fi thermostats
- Over 81,000 customers received targeted offerings for the Marketplace
- On average, customers opened eHERs (the digital version of Home Energy Reports) at a rate of 42.18 percent
- High Usage Alerts had a 34.04 percent open rate

Purchases and Leads:

- Solar Panels:

- In Q4, the project team recorded 106 qualified solar leads, 53 solar appointments, and one solar purchase.
- Sealed Home Services:
 - In Q4, the project team recorded 110 qualified Sealed leads, 49 assessments, and one upgrade project purchase and installation.
- Marketplace Storefront Sales:
 - In Q4, the team recorded 154 orders for 534 light bulbs, 108 thermostats and 12 power strips. All purchases were made directly on the Marketplace Storefront. The Marketplace also generated 930 leads to Con Edison's BYOT program.

Digital Customer Engagement:

The number of unique visitors and page views on Con Edison's Marketplace more than doubled from Q3, bringing the total visitors since launch (in Q3 2016) to 177,681 and total page views to 326,459, with customers spending on average 1 minute and 34 seconds on the website.

Con Edison's Marketplace (and Storefront) also raise awareness of other Con Edison programs and track actions taken by visitors. Since inception, 1,472 Marketplace visitors have clicked through to Con Edison's large appliance rebate offers, and 1,171 smart thermostat shoppers on Con Edison's Marketplace Storefront sought out information on the BYOT program.

Customers are becoming increasingly engaged on the web insights portal. Over 73 percent of customers who log into the website take an action (e.g., check off a tip or make a savings commitment). This is a four percent increase since Q3 2016. Thirty percent of customers who log in check off a tip (a seven percent increase since Q3 2016), and 56 percent of customers who log in start the "What Uses Most" online audit (a two percent increase since Q3 2016).

DER Market Activation:

During Q4, Con Edison's Marketplace channeled customers nearly 69,000 times to third-party retail websites. The most popular Marketplace categories were light bulbs, clothes washers and dishwashers. In addition, Enervee's Charge integration, a widget for e-commerce sites that intuitively informs customers about relevant energy rebates, began alerting Con Edison customers through four retailers and one product review site to available rebates on large appliances.

Energy Savings:

Since the launch of the behavioral Home Energy Report program, customers have saved over 12,288 MWh of electricity (July-December). In Q4 alone, customers have saved over 4,908 MWh with a 1.04 percent average savings rate.

Estimated indirect energy savings associated with Marketplace Storefront sales in Q4 are 325 MWh and 104,236 Therms on a lifetime basis.

Greenhouse Gas Emissions Reductions:

The behavioral and indirect energy savings through the Marketplace Storefront are estimated to have avoided 7,702,020 pounds of carbon dioxide, 128.54 pounds of methane and 14.54 pounds of nitrous oxide emissions in Q4. The behavioral program generated 6,134,525 pounds of carbon dioxide, 121.24 pounds of methane and 13.74 pounds of nitrous oxide emissions. The Marketplace Storefront contributed 1,567,495 pounds of carbon dioxide, 7.3 pounds of methane and 0.8 pounds of nitrous oxide emissions.

2.1.4 Next Quarter Forecast

In Q1 2017, the Project will launch the second, five-touchpoint campaign to eligible customers receiving Sealed, Wi-Fi thermostat and Marketplace targeted offerings. Based on A/B messaging test learnings, the team will adjust the 2017 program design to reflect the more effective messaging strategy for each marketing campaign (e.g., Sealed home services targeted offerings will focus on the comfort message as opposed to the savings message in 2017).

In February, customers will receive their first paper, second-generation Home Energy Report (HER 2.0). The HER 2.0 has many of the same features as the initial Home Energy Report, but has a few key enhancements. The new report has a fresh, modern design and doubles down on behavioral science to make the report even more user-friendly. The template reads more like a story, with bold blue headers helping customers identify what's in each section and connect all the different pieces of information be given to them. The new report template also brings two relevant tips from efficient neighbors to the front of the report, drawing attention to the call to action up front and building on the behavioral science principle of social proof. Another enhancement of HER 2.0 is the native-looking ads. Native ads are ads that look "native" to the other content on the page. They are blended seamlessly with the rest of the report so as to avoid banner blindness, the phenomenon that customers overlook or ignore information that appears to look like banners or ads. Lastly, the report experience on HER 2.0 evolves over time, depending on the season, and targets customers at the moments that matter the most.

Planned Q1 2017 activities for the Marketplace/Storefront include:

- An additional "Wi-Fi enabled" filter attribute will be added to Marketplace, which will allow users to easily search for Wi-Fi enabled washers, dryers and refrigerators.
- Additional product categories will be added to the Marketplace in Q1 to expand the number of energy efficient offerings available to customers.
- Cosmetic modifications to Marketplace Storefront will be implemented to better highlight the platform as an e-commerce opportunity for shoppers and increase sales volumes.

- The Marketplace 2.0 platform will be launched, which will provide an updated, mobile-first design with a much more intuitive and seamless user experience that encourages users to establish shopper profiles. Profiles will unlock new functionality for users (save shopping searches, store favorite products, receive price alerts) and improve the team's ability to personalize offers and develop new services that customers value. Marketplace 2.0 will also allow Con Edison to develop new revenue generation channels.













The Project team is also evaluating opportunities to implement trial projects associated with the Marketplace, including:







- Solar systems sign-ups
- Home assessments sign-ups
- Energy Efficient Kits for special segments of the customer base

Planning is underway to best align the Con Edison and Marketplace marketing campaigns, adjust the marketing budget allocation, and initiate new channels focused on driving Marketplace Storefront purchases. Specifically, the use of e-commerce-oriented email campaigns using Con Edison customer email lists and promoted through associated sweepstakes and other targeted digital marketing campaigns is expected to both drive more traffic to the Marketplace, as well as to significantly increase the volume of Marketplace Storefront sales. These campaigns will also build on Marketplace 2.0's price alert and saved search email functionality, which will serve to enhance customer engagement and increase existing user return visits.

Separate planning has begun to determine the best method of leveraging Marketplace's existing integrated approach to rebate processing to streamline customer experience, as the current rebate process is not end-to-end and customers are currently sent to a third-party site where they must download a paper form to apply. Implementation of the improved rebate process is expected by Q2 2017.




2.1.5 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	  

Checkpoint/Milestone	Timing*	Status
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 the Appendix D: Description of Phases.

Legend

 On Schedule	 Delayed w/out Major Impact	 Delayed or Stopped – Project Goals Impacted
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2.1.6 Planned Activities

2.1.6.1 DER Sales

Status: Green

Expected Target by Phase 2 Midpoint: 18,500 purchases

Solutions/strategies in case of results below expectations: First, review overall DER sales by channel and product category to identify over- or under-performing products and services. Examine the possibility of changing the mix of DERs offered through each channel based on this review. Second, review “Channel and Messaging” effectiveness (below) to identify strategies for engaging customers at a higher rate. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.6.2 Channel and Messaging Effectiveness: Customer Motivation

Status: Green

Expected Target by Phase 2 Midpoint: 50 percent recall rates; 16 percent open rates; 2.5 percent click through rates

Solutions/strategies in case of results below expectations: Evaluate results of the content and messaging effectiveness. First, evaluate potential changes in content or layout informed by A/B, or split testing. A/B testing compares two versions of a communication to see which one performs better. Second, evaluate responses by customer segment and assess possibility of customizing content by unique customer segment. Third, evaluate channel effectiveness and assess

resource allocation between channels. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.6.3 *Digital Engagement - Integrated Online Experience*

Status: Green

Expected Target by Phase 2 Midpoint: 70,000 unique visitors each 6-month period

Solutions/strategies in case of results below expectations: Evaluate strategies for generating traffic to online tools. Shift investment between strategies if optimization is needed, add incremental investment to the most effective strategies or develop additional strategies for lead generation if needed. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.6.4 *Revenue Realization: New Business Models*

Status: Green

Expected Target by Phase 2 Midpoint: \$484,000

Solutions/strategies in case of results below expectations: Evaluate the effectiveness of all messaging strategies (A/B tests, digital and paper channels) and shift communications towards the most effective means to maximize DER sales. Establish a mechanism for competition between DER vendors who wish to feature their products through the Connected Homes Platform in order to identify vendors who can benefit the most from participation in the Project and who are willing to offer the most competitive terms. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.6.5 *Demand Side Management: Customer Co-Benefits*

Status: Green

Expected Target by Phase 2 Midpoint: 500 MWh (Marketplace Storefront); 10,300 MWh (behavioral energy efficiency); 2.74 MW (behavioral energy efficiency); 5 percent lift in program participation

Solutions/strategies in case of results below expectations: Review balance of energy insights versus promotional content included in outbound content and optimize as needed. If the expected target is missed, the Project team will evaluate the larger impact to the overarching goals of the Project.

2.1.6.6 Referrals to Energy Efficiency Rebate Programs

Status: Green

Expected Target by Phase 2 Midpoint: 10,300 click-throughs from Marketplace to large appliance rebate applications

Solutions/strategies in case of results below expectations: Evaluate the mix of marketing channels and shift strategies if optimization is needed. Add additional resources to the most effective channels or develop new marketing strategies.

2.1.7 Changes to Project Design

Upgrades to the Marketplace will be made to integrate rebate processing capabilities to architect an improved end-to-end customer experience throughout the research, shopping and rebate process.

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

2.2.1.1 Updated Work Plan

Demonstration Project - Connected Homes Platform					2015		2016				2017				2018	
Activity No.	Activity Description	Status	Lead		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 Launch															
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	Enervue													
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													
2.2	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/Enervue													
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	NOT STARTED	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/Enervue													
3.2.1.2	Maintain contact center solutions	IN PROGRESS	Con Edison													
3.2.1.3	Deliver outbound content	IN PROGRESS	Opower													
3.2.2	Phase in additional web functionality	IN PROGRESS	Con Edison/partners													
3.2.2.1	Additional appliance categories integration for Marketplace	COMPLETE	Enervue													
3.2.2.2	Marketplace launch Storefront and retailer API functionalities	COMPLETE	Enervue													
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	NOT STARTED	Con Edison													
4.1.1	Evaluate project rollout	NOT STARTED	Con Edison													
4.2	Implement competitive bidding	NOT STARTED	Con Edison													
4.2.1	Conduct RFI for additional DER partners	NOT STARTED	Con Edison													
4.2.1.1	Establish qualification criteria for DER partners	NOT STARTED	Con Edison													
4.2.1.2	Prepare RFI for additional DER partners	NOT STARTED	Con Edison													
4.2.1.3	Qualify potential additional DER partners	NOT STARTED	Con Edison													
4.2.1.4	Complete contract negotiations with additional DER partners	NOT STARTED	Con Edison													
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

2.2.1.2 Updated Budget

Budget information is being filed confidentially with the Commission.

2.3 CONCLUSION

2.3.1 Lessons Learned

After conclusion of the 2016 targeted offering campaigns, the Project team evaluated performance and will adjust the program design in 2017.

For the solar campaign, the “solar is trending” messaging strategy drove more engagement than the “solar helps you save” messaging strategy; due to this finding, the team will be shifting the creatives to reflect these results. Nearly 80 percent of qualified leads were generated through digital clicks, highlighting the importance of digital channels as a critical method to engage customers.

The Wi-Fi thermostat campaign also tested out two messaging strategies: “Wi-Fi thermostats are smart” and “Wi-Fi thermostats put you in control.” The “smart” messaging strategy was more effective than the control strategy, so the team will be sending communications using the smart strategy moving forward.

The Sealed campaign’s most effective messaging strategy was the “comfort” messaging strategy, over the “energy waste” messaging strategy. The comfort message had a greater inbound response rate by approximately 2:1. The 2017 communications for Sealed will focus on comfort messaging to maximize customer engagement. The email response rate was also more impactful compared to the paper communications by approximately 2:1.

Analysis of Q4 Marketplace marketing results has confirmed the success of efforts to drive general traffic to the site, with over 126,000 visits (equating to 218,000 page views) tracked for the period. The team expects to be able to drive even more significant traffic in 2017 Q1, especially if marketing resources can be expanded beyond Brooklyn and Westchester.

Q4 results for driving required sales volumes on Marketplace Storefront continue to fall short of desired objectives. The team is focused on modifying marketing allocations and channels to better target campaigns and promotions centered on Marketplace Storefront awareness and engagement.

The team has also highlighted the need for all marketing efforts to be effectively tagged to enable post-event source tracking and attribution.

2.3.2 Recommendations

Con Edison and Marketplace activities need to be better aligned, with a focus on increased use of video, improved Facebook campaigns, specific category and general display ad campaigns, expanded use of banner display ads to promote Marketplace, and use of coupon-oriented Marketplace Storefront promotional campaigns. Based on the Q4 marketing results, joint planning is being finalized to coordinate a consolidated 2017 Con Edison - Marketplace marketing plan, with resources and channel adjustments being made to better target in-market users and shoppers and to dramatically increase sales volumes. These activities will augment the broader goal of establishing e-commerce-oriented email campaigns using customer email lists and associated promotional sweepstakes.

The team also recommends leveraging Marketplace’s integrated end-to-end capabilities to establish a rebate processing solution to address the Commission’s direction to provide an improved customer experience. Marketplace 2.0’s user-

friendly features that enhance the full customer journey, from research to shopping to rebate processing, will provide a seamless process within a single platform, will expedite rebate payments to customers, and will significantly increase customer satisfaction.

2.4 INCLUDED APPENDICES

Appendix A: Marketplace and Thermostat Targeted Offering Home Energy Reports (print)


Appendix B: High Bill Alert with REV Demo video link and targeted offering for Marketplace

Appendix C: Appendix C: Con Edison Bill Envelope with Marketplace promotion (December 2016)

Appendix D: Full list of metrics and results

Appendix E: Description of Phases

Appendix A: Thermostat and Marketplace Targeted Offering Home Energy Report (print, front page only)



Con Edison – Home Energy Report
4 Irving Place
New York, NY 10003

Your Home Energy Report

Account number: XX-XXXX-XX60-0003-9
Reference number: 001-100-000-320-148
Report period: 07/26/16–09/22/16

We are pleased to provide you periodic, personalized Home Energy Reports to help you make smart energy saving decisions.

If you have any questions about these reports, you can contact us at 1-212-460-4738 or energyreports@conEd.com.

For a full list of energy programs, services, and products for purchase, including rebates from Con Edison, visit energyreports.conEd.com.

FIRST NAME LAST NAME

Last 2 Months Neighbor Comparison

You used **34% more** electricity than your efficient neighbors.

Efficient Neighbors	739 kWh*
YOU	990
All Neighbors	1,576

* kWh: A 100-Watt bulb burning for 10 hours uses 1 kilowatt-hour.

How you're doing:

Great 😊 😊

► **GOOD** 😊

More than average


Who are your Neighbors?

■ **All Neighbors:** Approximately 100 occupied apartments or condos that have electric heat and are either in the same building or nearby (avg 0.34 mi away)


■ **Efficient Neighbors:** The most efficient 20 percent from the "All Neighbors" group

Get ideal room temperatures anytime.


Have you considered a smart thermostat?
It can make being at home even more enjoyable. Here's how.



Programs itself
after learning about your energy use.



Adjusts temperatures
automatically within days.



Can be **controlled with WiFi** using your computer or phone.

Discover more about smart thermostats online at marketplace.conEd.com/mytemp.

Turn over for savings →

17



Con Edison – Home Energy Report
4 Irving Place
New York, NY 10003

Your Home Energy Report

Account number: XX-XXXX-XX07-0005-4
Reference number: 001-100-000-945-651
Report period: 07/26/16–09/22/16

We are pleased to provide you periodic, personalized Home Energy Reports to help you make smart energy saving decisions.

If you have any questions about these reports, you can contact us at 1-212-460-4738 or energyreports@conEd.com.

For a full list of energy programs, services, and products for purchase, including rebates from Con Edison, visit energyreports.conEd.com.

FIRST NAME LAST NAME

Last 2 Months Neighbor Comparison | You used **17% more** electricity than your efficient neighbors.



* kWh: A 100-Watt bulb burning for 10 hours uses 1 kilowatt-hour.

How you're doing:

Great 😊 😊

► **GOOD** 😊

More than average

Who are your Neighbors?

■ **All Neighbors:** Approximately 100 occupied apartments or condos that have gas heat and are either in the same building or nearby (avg 0.08 mi away)

■ **Efficient Neighbors:** The most efficient 20 percent from the "All Neighbors" group

The smart energy products you need—all in one place.

Shop online at Con Edison's Marketplace to easily compare and buy the high-efficiency products you use every day.



Find essentials
such as LED bulbs and smart power strips.



Browse Energy Scores to compare efficiency ratings.




Purchase directly from Con Edison and receive rebates.

Energy savings are waiting for you online. Visit marketplace.conEd.com/onestop today.


Turn over for savings →

Appendix B: High Bill Alert with REV Demo video link and targeted offering for Marketplace


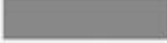


Reference number: 001100000123456

Due to cooler weather, you're trending toward higher energy usage

 This month was an average 14°F cooler than last month

This month's projected electricity use

This month		Today
Last month		250 kWh


For billing period beginning December 4, 2016
[Watch our video to learn more](#)

This alert is designed to help you take control of your energy use and save on your energy bill. We use your past year of electric use and weather data to determine if you may be on track for a high bill. If you would prefer not to receive these alerts, you can [unsubscribe here](#).


If you are a Level Payment customer, your costs may increase in the future if you use more energy than usual.

Shop simply—and save more energy.


Make Con Edison's Marketplace your one-stop online resource for high-efficiency products.



Find the specialty LED lightbulbs you need. We carry a variety of sizes, shapes, and illuminations so you can save energy indoors and outdoors.



Get a smart power strip for each room. When your appliances are idle, a smart power strip shuts off their power until they're turned on again.



Browse large appliances. You'll find many deals from your favorite local retailers. After you buy, you can claim rebates from Con Edison.

[BUY PRODUCTS NOW](#)

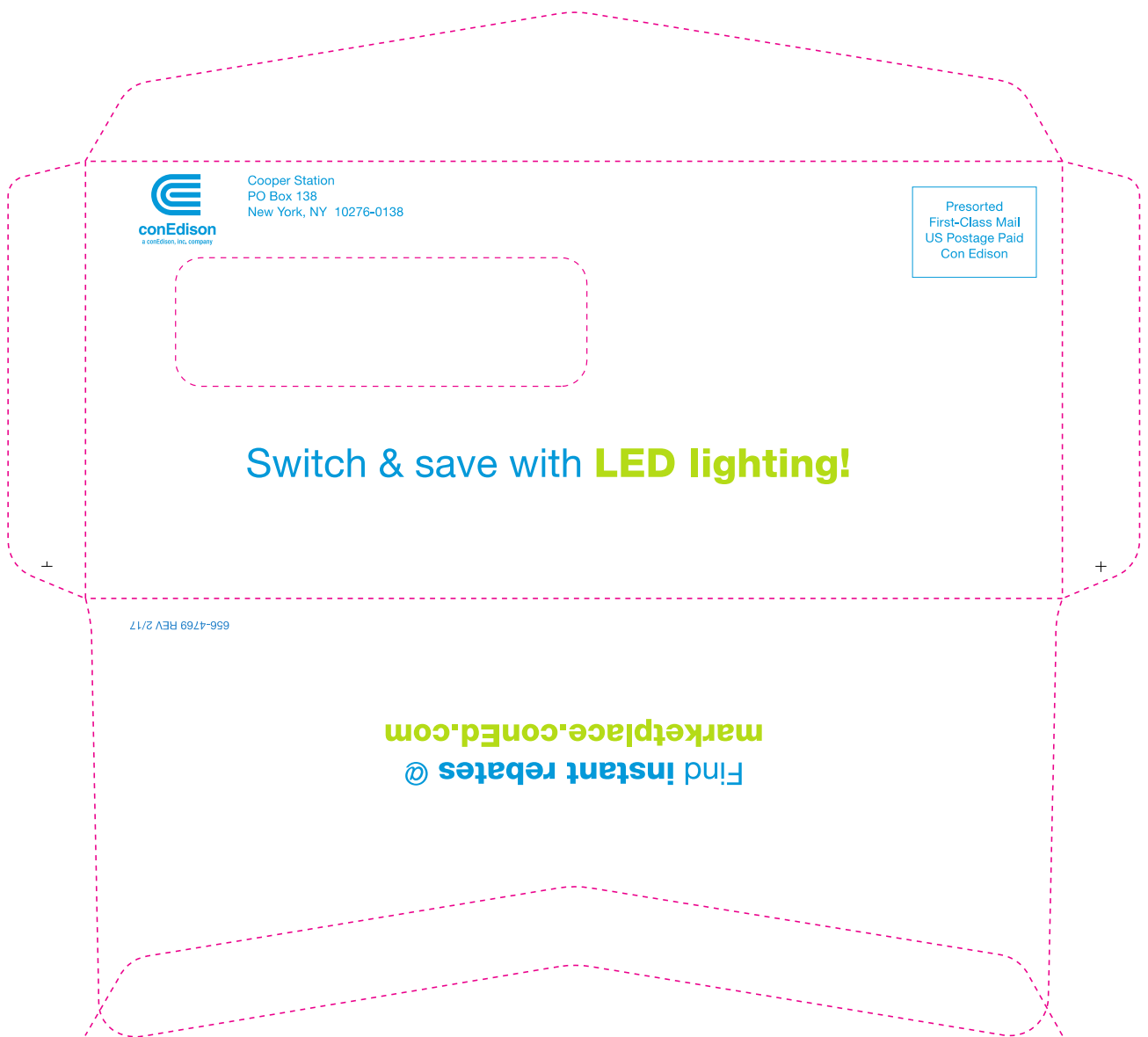
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Cost and energy projections are estimates only, not an assurance of what your actual bill will be.
Your actual bill may vary due to factors like your actual usage, taxes, and fees.

19

Appendix C: Con Edison Bill Envelope with Marketplace promotion (December 2016)



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

Appendix E: List of Metrics and Results

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q4 2016 (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	To be reported in Q3 2017.
		Total number of impressions	Total number of paper and digital communications sent to customers	Quarterly	914,944 total print and digital communications were sent to customers in Q4 2016. 379,439 of those communications were printed, and 535,505 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 42.18 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 34.04 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 1.55 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 0.57 percent.
		Unique web visits	Number of unique customers who visit the web portal	Quarterly	96 authenticated, first time users visited the web portal in Q4. The Marketplace had 85,091 unique visits.
	Leads and	Qualified solar	Number of qualified leads from	Quarterly	106 qualified solar leads.

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q4 2016 (not cumulative)
	Acquisitions	leads generated	the targeted offerings		
		Solar installations reported	Number of installations	Quarterly	1 solar installations.
		Thermostats sold	Number of thermostats sold through the targeted offerings	Quarterly	108 thermostats sold.
		Recipients and controls	Number of leads and acquisitions among recipient customers and control customers	Quarterly	Recipient and control purchase and lead comparisons will occur in 2017 once the team has refined the customer matching process.
Channel and Messaging Effectiveness: Customer Motivation	Partners	DER partners retained	Percent of DER partners who choose to continue with the targeted offerings	Annually	To be reported in Q3 2017.
	Customers	Positive customer experience	Percent of customers who respond positively to survey questions on their satisfaction with targeted offerings	Annually	To be reported in Q3 2017.
Revenue Realization	Total Revenue	Total revenue to Con Edison	Revenue gained through targeted offerings	Annually	To be reported in Q3 2017.
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	4,908 MWh total in Q4: 1,589 MWh in October, 1,501 MWh in November, 1,817 MWh in December.
		Demand	Demand savings generated by customers as a result of	Monthly	6.66 total MW in Q4: 2.13 MW in October, 2.08 MW in November, and 2.44 MW in

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q4 2016 (not cumulative)
		savings (MW)	participating in the program		December.
		Indirect energy savings (Marketplace Storefront sales)	Total kWh savings from product sales from the Marketplace Storefront	Quarterly	Electric savings: 325,262 kWh, Gas savings: 104,236 therms.
		Reduction in greenhouse gas emissions	Greenhouse gas emissions reduction from product sales from Marketplace Storefront and the Behavioral Program	Quarterly	<p>7,702,020 lbs total CO₂, 128.54 lbs total CH₄, 14.54 lbs total N₂O from both the Marketplace Storefront and Behavioral Program:</p> <p>Marketplace Storefront: 1,567,495 lbs CO₂; 7.3 lbs CH₄; 0.8 lbs N₂O.</p> <p>Behavioral: 6,134,525 lbs CO₂; 121.24 lbs CH₄; 13.74 lbs N₂O.</p>