



Orange & Rockland

Distributed Energy Resources

Residential Offering Platform Demonstration Project

July 1, 2015

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1.0 EXECUTIVE SUMMARY

New York's Reforming the Energy Vision (REV) invites utilities to test new and innovative business models for modernizing and animating the New York energy market and encourages New York customers to actively participate in energy issues.

Orange and Rockland Utilities, Inc. (O&R or the Company) intends to partner with Simple Energy and its network of third party product and service partners to provide a Customer Engagement and Marketplace Platform (CEMP) to (1) increase customer awareness and education of energy consumption issues; (2) motivate customers to participate in O&R programs; (3) increase distribution and adoption of distributed energy resources (DER); and (4) develop new revenue streams for O&R and its partners.

2.0 BUSINESS MODEL OVERVIEW

2.1 PROBLEM

Among potential obstacles to wide scale adoption of DER in the residential segment is a lack of customer understanding of which types of DER are best suited to their energy management needs. Customers often lack the adequate and available information to take action without a targeted message or a streamlined offer. While a customer may recognize the benefit of a controllable appliance or a smart thermostat that addresses their immediate needs, they may not feel confident as to which vendors provide quality and reputable service for the services.

Although leading and new entrants in the DER market are making inroads in developing brand awareness, the time and cost of identifying, qualifying, and closing on new residential customers can be significant. This lack of adequate and available information paired with the challenge of accessing customers is the underlying contributor to low overall DER uptake in New York to date. This customer acquisition cost (CAC) will continue to be a long-term barrier to the adoption of DER in the O&R service territory.

2.2 SOLUTION

O&R is proposing the demonstration of a residential CEMP that will provide customers with an online engagement platform to leverage customer data and analytics to develop targeted "Customer Offerings." Customers may receive e-mails, printed reports, text messages and other reminders detailing energy usage, insightful suggestions, comparisons, recommendations tailored to their homes and energy consumption, alerts, and notifications relating to opportunities to save energy. These recommendations

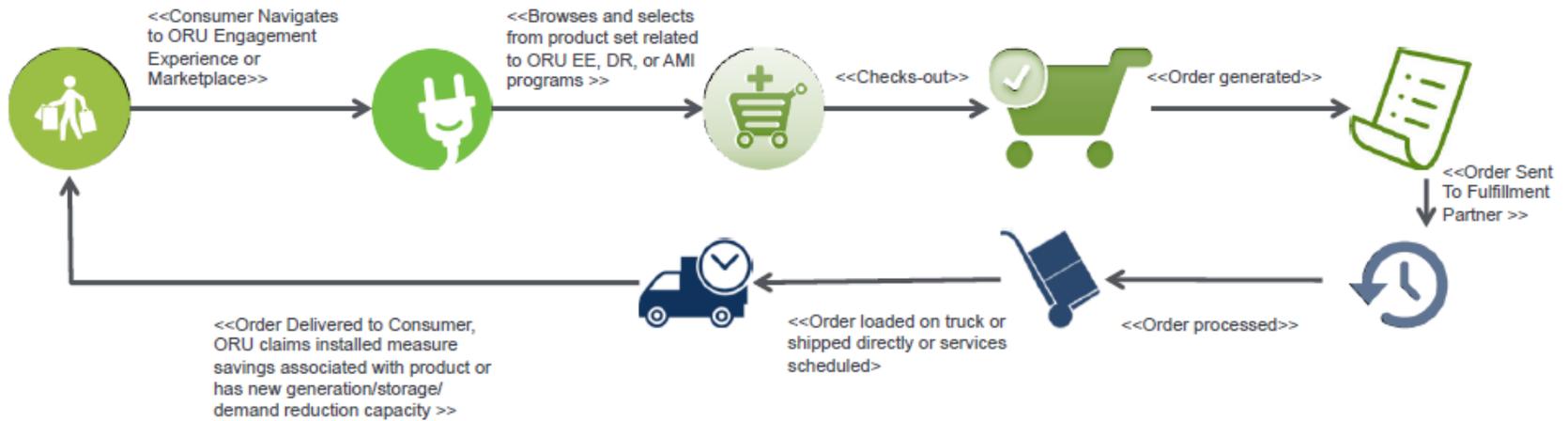
will be customized to incorporate third party solutions in the marketplace where products and services are offered in a streamlined customer experience. The motivational marketing and transaction experience is designed to allow demonstration project customers to review offerings to maximize complementary solution adoptions and total number of transactions.

An important objective of the demonstration project is to test alternative revenue stream opportunities for O&R. Our hypothesis is that there is a potential to generate revenue from product vendors, third party (TPS) installers and DER providers through advertising, customer/vendor transactions and bundled solutions with ongoing service fees.

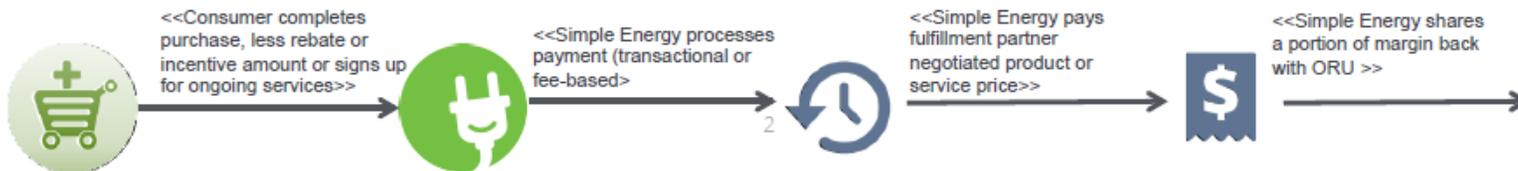
As illustrated in Figure 2-1, the CEMP provides a method of matching high quality energy efficiency products and DER service vendors to qualified O&R residential customers. In step (1) O&R provides qualifying customer usage data to Simple Energy who will analyze customers' billing data for usage and behavioral patterns that indicate if energy savings could be obtained. O&R then provides the customer with personalized communications regarding the appropriate products and DER offering and encourages the use of various services and products that are available on the CEMP. In addition, customers will earn points for purchases, adoption of tips and for taking other energy wise actions. Points can be redeemed for product credits which will be applied towards the purchase of DER and EE measures. The expectation is that the more engaged customers are with the CEMP, the more behavioral change will occur, stimulating further adoption of DER products and services, in addition to creating and reinforcing awareness of the O&R brand. By recruiting and creating value for TPS installers, O&R will be developing partnerships that widen O&R's breadth and experience into new business areas, which will develop additional revenue streams. Introducing sustainable revenue opportunities for O&R will require the support and collaborative efforts of market participants, TPS installers and an engaged and motivated customer base.

Figure 2-1. RESIDENTIAL CEMP – MARKETPLACE TRANSACTION FLOW

Fulfillment Model



Revenue Model



2.3 HYPOTHESES BEING TESTED

1. An O&R-sponsored program that matches specific DER and energy efficiency (EE) solutions to eligible customers will drive greater adoption.
2. The O&R brand will encourage customers to participate in the purchase of products, services and offerings.
3. This project will determine the potential for additional revenue generating opportunities and identify the potential for future opportunities.
4. Help O&R Identify what additional motivational tools are required to engage and drive purchasing decisions towards DER and EE solutions.

Throughout the implementation of the demonstration project there will be a series of hypothesis testing on an ongoing basis to refine project components, including the following:

- Population targeting;
- Rebate and incentive models;
- Marketing channels and messaging;
- Integration to non-wires alternatives;
- Product and service mix;
- Financing;
- Integration to rates and bundles;
- Interaction with other REV programs; and
- Simple Energy platform mix.

2.4 LINKAGES TO DEMO PRINCIPLES

Principle	Proposed Compliance
1. Partnership between utility and third party service provider; goal of third party capital contribution.	✓ Partnership with Simple Energy who will contribute its extensive R&D investment and ongoing operational and marketing investment to platform operations; share in transaction margins from additional service providers engaged as part of the platform.
2. Utility identifies problems and market should respond with solutions.	✓ Residential Customer Engagement and Marketplace Platform facilitates an efficient match of customer needs to specific DER solutions
3. Clear delineation of how generated economic value is divided between the customer, utility, and third party service provider(s) proposal for how much capital expense should go into the rate-bases versus competitive markets.	<ul style="list-style-type: none"> ✓ Initial funding for platform development from the rate-base. ✓ Per transaction margin split between Simple Energy and O&R ✓ Energy savings and market –based incentives for customers ✓ Scalable new revenue stream for third party product and service providers
4. Market for grid services should be competitive	✓ No utility DER ownership is proposed.
5. Propose rules that will facilitate competitive markets; establish regulatory proposals to ensure safety, reliability and consumer protection. [Service providers can retain intellectual property that results from base data that would be available to others. CASE 14-M-0101]	<ul style="list-style-type: none"> ✓ Will design rules of engagement and participation for marketplace vendors in order to protect consumers but also allow competitive offerings. See figure 3.3 ✓ All participants will be subject to published code of conduct
6. Inform pricing and rate design modifications and include opportunities for third parties to demonstrate how various rate design can be used to benefit consumers, encourage customer participation, and achieve REV's efficiency and bill management objectives.	× Rate designs to be tested in a separate demonstration project or second phase of the CEMP. May include time of use tou or residential demand tariffs.
7. Utility and third party service provider(s) should consider deploying in their demonstrations advanced distribution systems, including two way communications, real time operation of dynamic load, and other system technologies that support awareness, flexibility, efficiency and cost-effectiveness.	× Not applicable
8. Utilities should explore opportunities in their demonstrations to work with and include various residential, commercial, institutional and industrial customer participants.	✓ Initial focus will be residential customers with a second project focused on commercial customers.

3.0 MARKET ATTRACTIVENESS

3.1 UNIQUE VALUE PROPOSITION

The unique value proposition that this demonstration project creates is that it brings informative user friendly energy usage information to the forefront of customer's minds and provides access to energy savings solutions recommended by a trusted source. These solutions can be easily evaluated and matched to reputable vendors who can provide product assistance, installation and support. By leveraging the O&R brand name, Company reputation, marketing channels and customer information, O&R believes customers will consider the products and services offered through the CEMP will be of higher value and quality as compared to similar products and services offered by others. Customers rely on and expect their utility company to be industry experts when it comes to energy usage and how to conserve/reduce energy consumption. O&R believes customers will embrace the products, services and energy advice provided and will find convenience and value in the CEMP.

The project will offer DER products and services using a combination of Simple Energy market partners and third party vendors. All residential customers will have access to the CEMP. First, the initial target group will be customers with email addresses on file. The second group will consist of Time of Use (TOU) metered customers and customer with electric hot water heating, and also customers with a propensity to buy other products or services, such as customers who have participated in O&R EE programs. Third, the focus will shift to customers with average usage greater than 2,000 kWh. Fourth, the targeted group will be customers with average usage greater than 1,500 kWh, and finally customers with average summer usage greater than 1,000 kWh. The platform will provide customers with the ability to engage in the purchase of a number of products and services. These may include, smart thermostats, DR program enrollment, LED bulbs, high efficiency hot water heaters, central A/C upgrades, appliance recycling, high efficient well and pool pumps, window A/C modlets, sealing and weatherization, smart connectors and gateways for in-home and phone usage applications. Additional products and services will be added across the product offerings over the next three months preceding implementation.

3.1.1 PARTICIPATING CUSTOMERS

The CEMP will deliver the following benefits to customers:

Personalized Experience and Education:

- Understandable Usage Information: Education on how and when they use energy increases customer satisfaction and energy management capabilities;
- Real Energy Impact Analysis: Purchasing energy wise products and services is simpler and more attractive when the savings of a purchase is contextualized for each customer's energy usage;

- Relevant Product Suggestions: O&R sends targeted emails with relevant product suggestions based on usage and/or premise information;
- Consumer Education: Consumers receive a greater understanding of DER and EE technology and the actions they can take to better manage that usage;
- Program Suggestions & Enrollments: When a customer purchases a product that renders them eligible for program participation (e.g., a Wi-Fi-enabled thermostat for a direct load control program), s/he is either prompted within the transaction to enroll, or receives targeted communications encouraging program participation at a future date; and
- Customer Support: Marketplace support through 1:1 live chat.

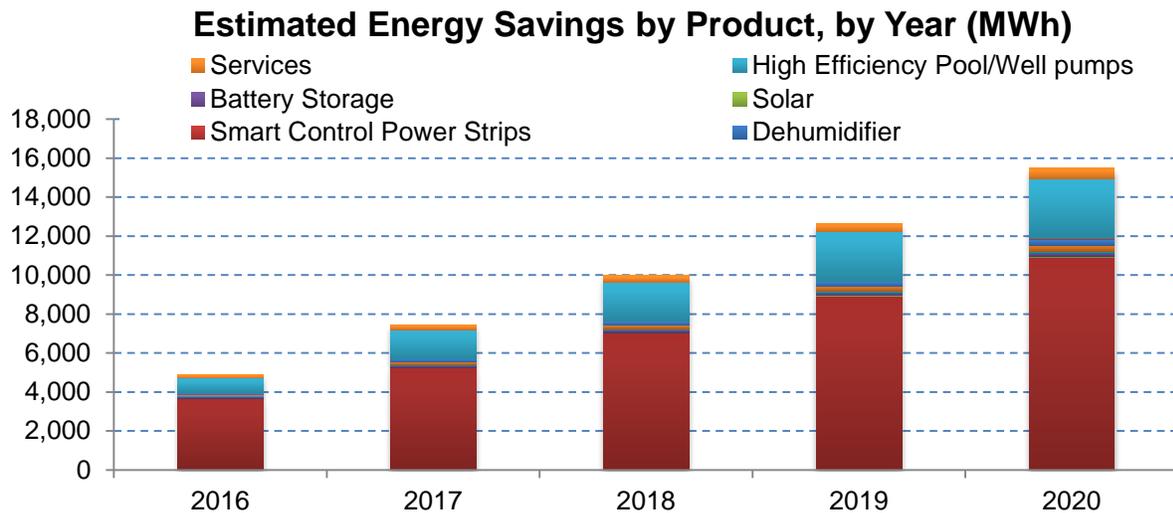
Access and Streamlined Purchasing:

- Product Access: to products and services that deliver energy savings (See Figure 3-1); and
- Incentive Access: Convenient access to products and installer offerings, as well as access to Company program promotions, rebates, and technical assistance including instant rebates.

User Experience:

- Credibility: The reassurance of knowing O&R sponsors the program, which increases customer confidence and credibility in offerings;
- Validation: Peer reviews and ratings help customers evaluate products and services; and
- Integrated Customer Experience: the program is branded O&R, providing the consistent branding experience necessary for consumer adoption of behaviors, programs, products and services.

Figure 3-1. ESTIMATED ENERGY SAVINGS BY PRODUCT



The CEMP will address market barriers to DER adoption through numerous methods. Customer communications relating to energy savings will be ongoing through a variety of touch points such as text messaging, email, direct mailing and other forms of communications outlined in the marketing plan. Customer surveys, interactive emails, energy data analysis and engagement results will be utilized to develop targeted messaging. The program will encourage behavioral change by engaging users through the issuance of loyalty points for energy savings actions that can be redeemed for rewards. Another important aspect of this program will be the analysis of customer usage and bills to fine tune target offerings. This analysis will be combined with the right messaging to the right customers thus generating higher conversion rates for subscribing to DER products, service and vendors. The solution also provides a series of motivational components across intrinsic and extrinsic motivations to encourage energy savings behaviors, adoption of complementary programs, and purchase of products and services. These motivations range across a series of social comparisons, self-comparisons, achievements, rewards and financial/energy savings offerings. The motivational elements are included in targeted communications as well as on CEMP interactions. Customers compete in individual challenges against their friends and neighbors for prizes.

Entries can be awarded for activities such as home profile completions. Participants can share progress with friends through social channels, helping to spread awareness of the O&R brand and specific programs of interest.

Figure 3-2. CUSTOMER OPEN RATES

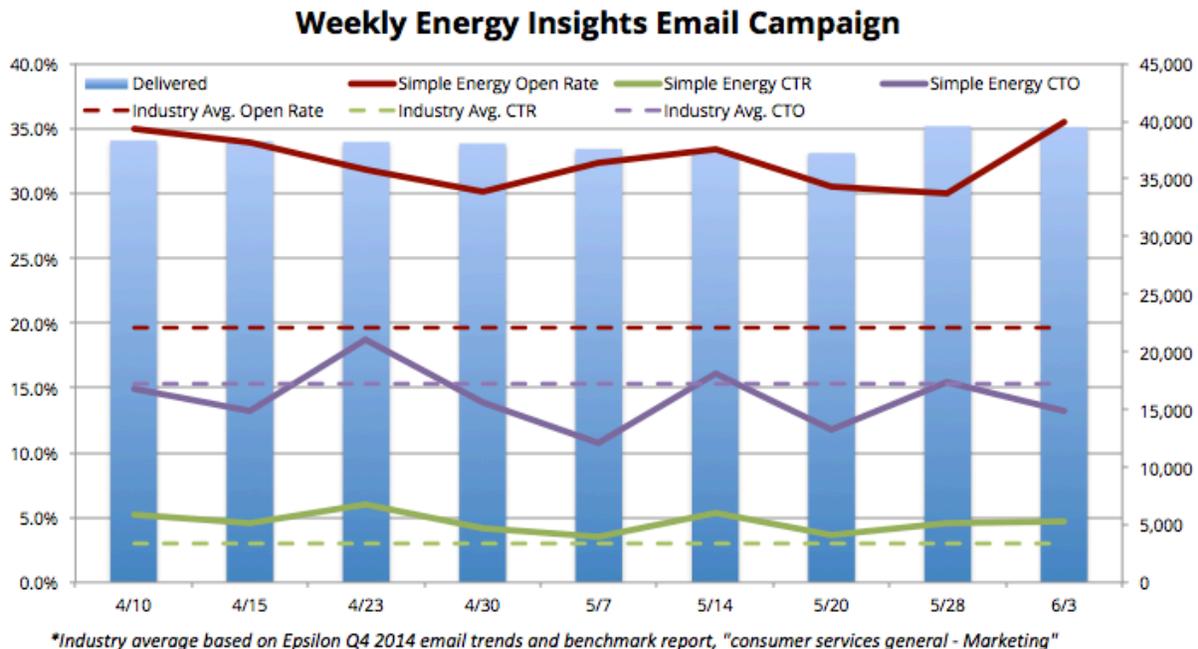


Figure 3-2 demonstrates Simple Energy's ability to deliver marketing communications that drive action. In this example of "Weekly Energy Insights" email campaigns belonging to a Simple Energy Utility Partner Program that is similar to O&R in both program design and geography, we see above industry-average open, click (CTR) and click-to-open (CTO) rates for a variety of call to actions, all designed to engage the customers with the CEMP or usage profiling. Note that exposure to the communications have an effect on customers' energy saving behavior or propensity to buy, regardless of further engagement (i.e., customers may see an email, think about their energy usage and act without opening the email or they may bypass the email for direct access to the platform). In either scenario, energy savings are tracked and measured back to the CEMP.

3.1.2 PARTNER/THIRD PARTY

The Company has selected Simple Energy to partner in the implementation of the CEMP. Simple Energy will work with O&R to implement the CEMP and manage the third party network of product providers and O&R will manage the TPS installer network. Simple Energy will manage the CEMP and share in revenue generated from advertising, referrals, product sales, and installation. Simple Energy and O&R will benefit from the success of the CEMP. As activity increases through product sales, advertising, referral and conversions, Simple Energy will see revenue increase from these categories, which will provide motivation for continued product and service expansion, growth and evaluation, providing the ability to establish the company as an important component in the New York DER market.

By establishing a streamlined path to market and opportunity for reduced customer acquisition cost, the program will also deliver a new way for product and technology solutions that have not traditionally leveraged the utility or energy channel to acquire new customers. This program develops a scalable mechanism to animate third party market participation to provide customers the solutions they desire. (See Figure 3-3 Volume of Transactions by Product Type)

DER participants and TPS installers paying for advertising space on the CEMP will be phased in over time. In the first phase, (i.e., the first three months after implementation), we will utilize the product vendor network of Simple Energy, with the addition of a number of new products.

Over the next three month period, O&R will vet, select and offer products and additional installation vendors for high efficiency products including central A/C, electric water heaters and pool and well pumps, while at the same time evaluate the potential for adding new products such as solar installations and other DER measures. Phased vendor participation will attract vendors and TPS installers to the CEMP in a manageable way. Once the CEMP is operational we can test and refine our pricing model.

The most important selection criterion for the initial set of service providers is that they have a track record of quality product delivery and customer satisfaction. During the initial roll-out phase, 30 proven TPS installers will be asked to participate. O&R must be able to certify the quality of vendors introduced

to our customers and O&R must feel reasonably confident that they can deliver on their offers and make sure they will stand behind the products and services provided.

A Letter of Intent is underway between O&R and Simple Energy, with a definitive partnership agreement to be finalized. A similar agreement will be utilized for all TPS installers who participate in the CEMP program.

The CEMP will provide vendors and TPS installers with the ability to engage with customers through interaction regarding the products, services, pricing and warranty information relating to their offerings. TPS installers will be incentivized to participate in the program through direct contact by customers interested in implementing DER products and services. Customers engaging the TPS installers will be motivated to purchase based on the offerings advertised and services provided, proving an opportunity in which the TPS might not have otherwise had available. (See Figure 3-4 Partner Selection Evaluation).

Figure 3-3. ESTIMATED VOLUME OF TRANSACTIONS BY PRODUCT

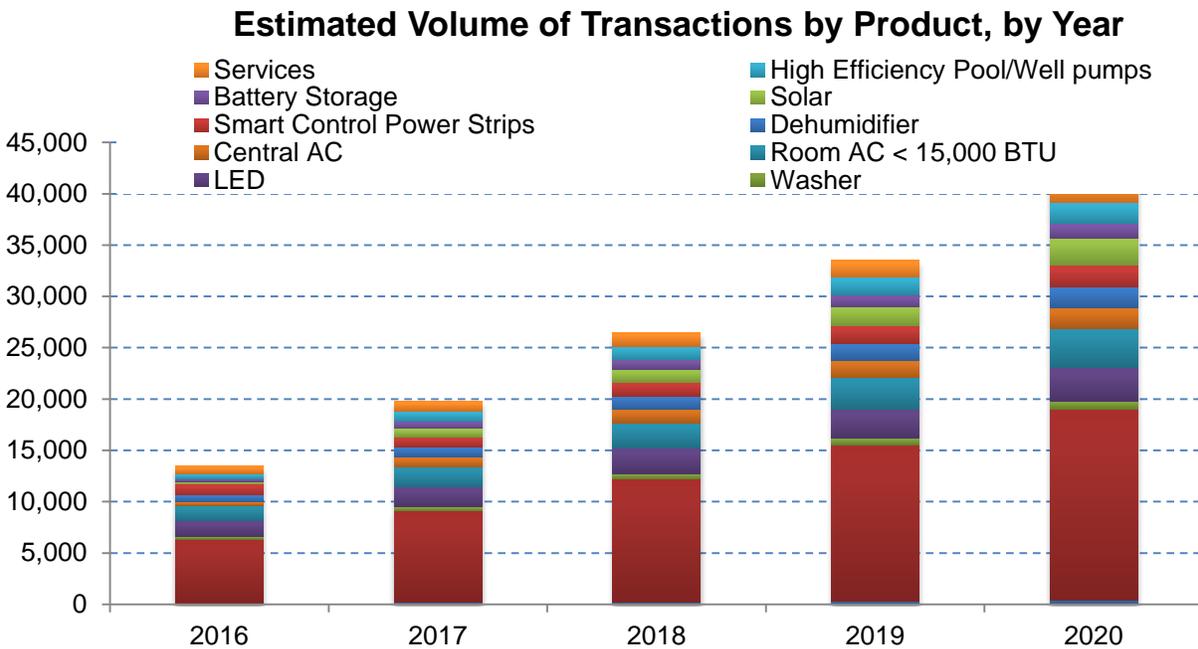


Figure 3-4. INITIAL PARTNER SELECTION EVALUATION

Selection Criteria	Relevance to Success
Reputable firms with established history of successful installations and quality products	Order fulfillment and product quality critical to sustained success
Willingness to pay advertising premiums and lead and conversion fees	Necessary to establish value of platform
Best in class companies with prominent market presence and signaling power	Market leaders will signal value of platform to rest of market
Willingness to collaborate on data sharing of converted customers	Necessary to track demo success and to match measurement and verification where required
Customer service capability	Verify ability to respond promptly and appropriately to customer questions and inquiries

Once the proof of concept has been completed, O&R will bring additional vendors to the platform, both within existing DER categories and in new ones; we expect to do so within one year of operation subject to hitting milestones in previous phases.

3.1.3 UTILITY

This demonstration project will provide a number of valuable insights which will help O&R understand more about re-defining its business model and expanding into other areas of energy related activities beyond traditional transmission and distribution. In addition to the knowledge and experience regarding new DER and EE products and services, O&R will further develop a reputation with its customers, not only as a trusted energy delivery company but also as an energy partner and trusted adviser in energy savings products and services. O&R's goal is to be in the forefront of its customers' minds as the energy services experts, having the knowledge and experience to provide customers with solutions to their energy needs. By further engaging customers in the importance of DER and EE, the Company will define and establish the systems, tools, processes, procedures and expertise needed to efficiently manage the DER products customers place on the distribution system. By managing and effectively integrating resources customers bring to the system, O&R may avoid the need to invest in traditional infrastructure. Also, the Company will evaluate providing the types of products and services that customers traditionally purchase such as washers, dryers, refrigerators, A/C systems and other devices that can be used to reduce customer usage during peak days while generating additional revenue for the Company.

Finally, O&R’s establishment of a CEMP that serves to animate the market with third party product and service providers is consistent with REV. This will enable the ongoing development and leverage of value streams such as avoided infrastructure investment, demand reduction, and energy management to benefit customers and the grid.

3.1.4 SYSTEM

O&R has identified approximately ten locations, excluding the Pomona area, within the distribution system requiring the need for demand reductions during peak periods. If demand in these areas is not reduced in the near future investment in substations, transformers and additional distribution circuits will be required to serve load growth. The benefit of implementing the demonstration project, particularly to service these high load locations, is bringing targeted product and service offerings to market in these specific locations in order to delay infrastructure investment. Increased penetration of DER products and services that are owned and utilized by customers will help to develop a more efficient and resilient system. By having the ability to aggregate DER resources and deploy them during peak periods, the Company has added flexibility to manage the electric system. As customers become more familiar with the benefits of DER and EE resources, having easy access to the purchase and maintenance of these devices, more customers will deploy technology to reduce their energy bills and carbon emissions. The total energy reduction this program is estimated to produce is 15,000 MWh in addition to reduced carbon emissions by 4,442 tons.

3.2 CUSTOMER SEGMENTATION

Identifying customers with similar energy usage attributes is an important aspect of the CEMP engagement process. O&R will focus efforts on attracting customers in five primary categories. First, O&R will focus on customers with email addresses on file. Second, the focus will be on time of use (TOU) customers and customers with electric hot water heating. Third, the focus will shift to customers with average summer usage greater than 2,000 kWh. Fourth, O&R will shift its focus to users in the 1,500-2,000 kWh range, and finally to customers with usage over 1,000 kWh. See Figure 3-5, 3-6, and 3-7 for a breakdown of customers by the categories described above.

Figure 3-5. CUSTOMERS WITH E-MAIL ON FILE

Usage (kWh)	# of Accounts
>2000	1,240
1500 – 1900	2,266
1000 - 1499	8,679
Total	12,185

Figure 3-6. CUSTOMERS ON TIME OF USE RATE

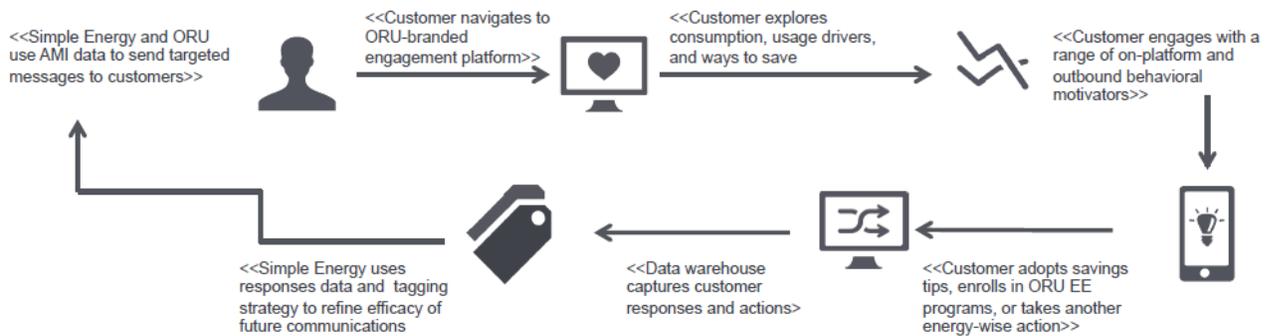
Usage (kWh)	# of Accounts
>2000	209
1500 – 1900	167
1000 - 1499	351
Total	727

Figure 3-7. OTHER CUSTOMERS INCLUDING ELECTRIC HOT WATER HEATING

Usage (kWh)	# of Accounts
>2000	7,230
1500 – 1900	9,509
1000 - 1499	32,000
Total	48,739

Figure 3-8. CUSTOMER ENGAGEMENT MODEL

Engagement Model



3.3 CHANNELS (COMMUNICATIONS, SALES, PROMOTIONS)

As an example of how the CEMP will be used to generate targeted customer engagement, customer usage information will be analyzed and will be used to guide customers on ways to save energy and

provide numerous suggestions and options, with options available at the click of a mouse. (See Figure 3-8).

Outbound communications are important because they can reach customers at a large scale, particularly those who might not otherwise proactively seek information about energy related services and products. By providing energy usage information and insights using a number of communication methods, this will prompt customers to visit the CEMP to quickly and easily learn more about how to reduce usage and lower monthly bills. The ability to seamlessly browse DER options and alternatives, and view pricing and vendor information will eliminate much of the complexity and uncertainty of purchasing and installing DER measures. Each communication and visit to the CEMP will capture customer's attention and drive engagement opportunities.

In the program, promotions for energy products and services can be carefully targeted and paired with timely advice, including usage comparisons and home profiles to produce a seamless customer experience that is designed to motivate customers to take action and follow up on the featured promotions. Each communication will feature energy insights tailored to that particular premise and promotions will appear at periodic intervals when they are most relevant. Promotions may come in the form of email, text messaging alerts and direct mail notifications, depending on user communications preferences and propensity to act.

For example, a customer may receive a home energy alert in the spring showing how they stack up compared to their neighbors and providing tips for getting ready for the cooling season including a targeted promotion for a smart thermostat, smart connector or high efficiency A/C upgrade and a reminder to visit the CEMP for additional tips, suggestions and vendors for consideration. A few months later, in a summer month where the customer experienced higher than average usage, the customer may see a breakdown of how much cooling contributes to energy usage in their home, followed by a reminder about the same smart thermostat, smart connector or A/C upgrade. The communications take advantage of the moments when customers are likely to be thinking most about the featured product and provide regular reminders in order to motivate customers to take action and visit the CEMP.

Customer advertising and CEMP promotions will be implemented in several phases.

- Four weeks before the launch of CEMP, a pre-launch campaign will begin, which includes advertising on the O&R website, a press release, internal employee communications, customer communications through the use of bill inserts, bill messages and e-bill notification, and customer service representative (CSR) communications.
- Week one and two of the launch will include customer e-mails, social media, e-bill messaging, bill inserts, and additional press outreach.

- The warming period will include weeks three through eight and will include focused messaging about the CEMP using emails regarding rebates available for various programs, social media advertising, banner ads, energy savings email notifications and web site reminders, bill messages and bill inserts, targeted email blasts.
- Ongoing communications will begin with week nine and will include information about rebates and various program offerings to customers. O&R will utilize weekly emails, periodic press releases, internal and external newsletters, social media messages, Google marketing, CSR communications and other paid media sources to continue promoting the offering.

Targeted customer communications will include important messaging about the various products and services available on CEMP and encourage customers to take advantage of programs and services including available services and rebates. O&R will leverage its relationships with community leaders and other internal communications collateral including the periodic customer mailer “AT Home”, O&R’s quarterly mailer providing customer energy tips for the upcoming season. O&R’s New Construction representatives will be educated on the program and provided with collateral to provide to all new customers building homes and to those completing renovations, and presented to contractors during pre-construction meetings. Also, the Community Affairs group will provide information at municipal events regarding the program and promoting the benefits during community outreach engagements sponsored by municipalities will also provide an opportunity to enlighten customers about the project and the benefits it provides.

Email – Energy Insights

Bi-weekly emailed reports provide customers with new and dynamic information making them less prone to drop-off or tune out program. Emailed *Energy Insights* offer O&R a cost-effective channel to remind customers about how they are using energy and to tie those reminders to relevant promotions. Because they feature personalized energy insights, these emails are also highly effective at engaging customers, with open rates regularly exceeding 30% and click-to-open rates exceeding 10% (Please refer to Figure 3-2 for more detail).

The *Energy Insight* Reports and reminders include tips and analyses analogous to those included in the direct-mailed Insight Reports, as well as highly-targeted, personalized promotions for products and services that include direct links to the CEMP landing page.

Direct-Mailed Energy Insight Reports

These reports will deliver easy-to-understand, personalized, and actionable energy data, insights, and recommendations to O&R’s customers designed to capture customer’s attention. The direct-mailed Energy Insights Reports include:

1. Normative comparisons of customers' energy use to that of neighbors living in similar households, putting energy consumption in context;
2. Usage analysis offers a look at household energy consumption and provides customer-specific insights based on usage, size of home, and demographic information; and
3. Highly-effective promotions that can drive customer interest in featured energy products and services .

Text Messaging Notifications

Text messaging notifications are provided on a periodic basis to notify customers of usage alerts. Alerts provide the basis for customers to take action at the appropriate time, to avoid recurrent high bills and direct customers to the CEMP to review tips and options for reducing energy costs.

Each of these channels offer an opportunity to reach customers during different times when they are thinking about their energy usage, and the messaging is consistent and synchronized across channels for a seamless customer experience. (See Appendix A – Marketing Plan).

3.4 ABILITY TO SCALE

The program foundation will be developed to allow for future scaling. As customer awareness of the program begins to develop, O&R and Simple Energy are prepared to expand the products and services offered, increase the TPS installer network and evolve the program into a fully integrated DER platform providing customers with DER products and services they want and that will support long term utility grid management. The ability to offer a full line of energy efficient appliances that can be cycled during peak events is also a part of our expansion plan. In addition to expanding into solar offerings, battery storage services and maintenance, O&R anticipates expanding into solar aggregation, EV management and the ability to control customer owned devices. The ability to scale the program back if success is less than expected is also included in our plan. Through the evaluation of sales and product offerings, third party participation and revenue generation, O&R may decide to scale the program back or possibly terminate the demonstration project. If the project does not cover the cost of implementation including resource costs, profit sharing and the ability to cover lost transmission and distribution revenue as a result of energy reductions, the Company may choose to scale the program back over time and ultimately terminate the project.

4.0 DEMONSTRATION PLAN

4.1 METRICS FOR SUCCESS

To determine the success of the project, the Company is focused on the following specific metrics during the initial launch of the CEMP:

1. Is each product meeting forecasted sales activity levels?
2. Is the revenue forecast in line with actual sales by product offering?
3. Is each product producing the expected revenue margin?
4. Is the quarterly sales forecast on track with the forecast?
5. Are energy and demand savings occurring as a result of measured behavior and products/services?

Metrics for years 2-3 include the following:

1. Are the margins generated from product sales and services covering program expenses?
2. Is the product margin sufficient to break even and cover costs?
3. Is the Company able to earn its cost of capital on the investment?
4. Is the business model sustainable and demonstrating opportunity for growth?

4.2 TIMELINES, MILESTONES AND DATA COLLECTION

4.2.1 IMPLEMENTATION PHASE

In cooperation with Simple Energy, O&R has developed a detailed plan for building the CEMP platform, enrolling TPS installers and developing the required computer system interfaces. (See Figure 4-1).

Figure 4-1. IMPLEMENTATION PLAN

Implementation Plan	Responsibilities		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8
	Simple Energy	Orange & Rockland								
Filing Activities	Support	Owner	■							
Initial Marketplace Plan										
Planning Workshops and Artifacts										
Program Design Workshop	Owner	Support		■						
Customer Marketing Workshop	Owner	Support		■						
Merchandising Workshops	Owner	Support		■						
Rebate Workshop	Owner	Support		■						
Reporting Workshop	Owner	Support		■						
Final Review of Artifacts	Support	Owner		■						
Iterative Site Build out and Configuration										
Deploy Infrastructure	Owner	Support		■						
Configure Site to Spec	Owner	Support		■	■					
Add Site Content and Merchandise	Owner	Support		■	■					
Marketplace Data Integration Activities										
Customer Marketing Data	Shared	Shared			■	■				
Rebate Information Data	Shared	Shared			■	■				
Marketing Content Creation										
Marketing Content Creation	Shared	Shared			■	■				
User Acceptance Testing										
User Acceptance Testing	Shared	Shared				■	■			
Training										
Training	Lead	Support				■	■			
Marketplace Launch										
Marketplace Launch	Shared	Shared					■			
HER and Engagement Platform										
Engagement Platform and HER Program Design										
Engagement Platform and HER Program Design	Shared	Shared				■	■			
Site Configuration										
Tip Content	Owner	Support					■	■		
Site Configuration	Owner	Support					■	■		
Engagement Platform Integration Activities										
Customer Data	Shared	Shared					■	■		
Monthly Usage Data	Shared	Shared					■	■		
Marketing Plan and Content										
Create Report Templates	Owner	Support					■	■		
Create Email Marketing Templates	Owner	Support					■	■		
Create Targeting Strategy	Owner	Support					■	■		
Create Engagement Platform Marketing Plan	Shared	Shared					■	■		
Training										
Training	Owner	Support							■	■
Launch Engagement Platform and HERs										
Launch Engagement Platform and HERs	Shared	Shared							■	■

4.2.2 ONGOING PROGRAM ENHANCEMENT PHASED TIMELINE

In cooperation with Simple Energy, O&R has developed a phased approach to continue building upon the initial implementation. Figure 4-2 shows a five-phased approach taking place over the next three years and beyond. Milestones or Gates will be established to continue into each subsequent phase, thereby allowing for continual enhancement and optimization of the program.

Figure 4-2. PHASED TIMELINE

Phase	1. Launch	2. Category Expansion	3. Decision on Project Expansion	4. AMI Integration	5. Revenue Optimization
Timing	4Q 2015 (live)	4Q 2016	4Q 2017	4Q 2017	2017+
Milestone (Stage Gate to Next Phase)	Attract vendors in key categories; successful data transfer	Engagement and utilization rates; vendor retention; customer satisfaction; energy savings	Price of promotions stable or increasing; customer satisfaction	Retention of vendors; customer satisfaction	Sustainable profit opportunity; availability of platform for full and ongoing deployment
Key Elements	CEMP integration; end-to-end testing, begin marketing, advertising and promotions	Evaluate response of specific audiences to DER combinations, channels, and messages	Decision to expand platform; Expansion to full service territory	Leverage platform learnings and more granular customer data	Focus on optimizing customer value and utility revenue; re-evaluate pricing model, realign offering to highest value DER(s)
DER Categories	High efficiency water heaters, pool and water pumps, A/C upgrades, and appliance cycling	Expanded DER to include solar offerings, storage offerings, and bundling options		Time of use rates and integration of behaviors and automation	
Product and Service	Launch online marketplace including Smart thermostat and DR services, window A/C modlets, EE programs, smart strip, etc.	Additional connected home products and services e.g. appliances, home bundles e.g. security, cable	Additional home improvement products and services	Time differentiated rates and/or engagement; Automation to complement rates.	

4.2.3 EVALUATION PHASE

The evaluation phase will begin after the first three months of implementation. The project will be evaluated based on a number of criteria that will be used to provide insight into the success of the project launch, products and services offered, customer participation and feedback provided by TPS installers.

(See Figure 4-3 below, which shows the types of project evaluation metrics the Company will develop and use).

Figure 4-3. PROJECT EVALUATION METRICS

Project Build Metrics	Performance Metrics	Financial Metrics
Complete build and testing phase Implement Program	Number of partners paying for advertising on platform	Advertising revenue and growth
Initiate customer communications and activate CEMP Transaction Validation	Number of click-throughs	Lead and conversion revenue
Sales Activity	Achieve sales forecast	Achieve revenue targets
Technical platform/CEMP Product and Service Evaluation	Number of in-platform actions	Product and service revenue growth
Customer/ TPS Installer Satisfaction rates	Partner satisfaction/retention Customer Satisfaction	

4.3 PARTICIPATION

4.3.1 TARGETED POPULATION, SAMPLE SIZE, CONTROL GROUP

Identifying customers with similar energy usage attributes is an important aspect of the CEMP engagement process. The demonstration program consists of two types of target populations. The first is the segment of customers who will be enrolled in the engagement program and outbound messaging. The second is the segment of customers who will receive other marketing to drive product and service awareness and purchase.

The average customer in our service area uses 650-700 kWh per month. The initial targets of the engagement program will be customers receiving auto-enrolled email and printed reports. These customers will be selected based on a program design including:

- Energy usage level (average / summer);
- Rate plan;
- Electric hot water heating; and
- Location in ten distribution system load pockets.

Our initial focus group will be customers with email addresses on file. Second, will be customers on TOU and customers with electric hot water heating. Third, customers with average usage greater than 2,000 kWh. Fourth, O&R will include users in the 1,500-2,000 kWh range and finally, customers with usage over 1,000 kWh. Customers with average monthly usage greater than 1,000 kWh typically have large A/C loads, pool and/or well pumps.

In addition, O&R will engage the 6,000 customers with electric hot water heating and customers located in areas identified as load pockets within the distribution system will also be targeted during the initial phase of the project. There are approximately ten areas identified within the distribution system, in addition to the Pomona, NY area that would benefit from load relief.

As part of our implementation plan, O&R will identify a contractor for the evaluation, measurement and verification process. Based on the Contractor's recommendations, O&R will establish the appropriate and statistically relevant process to evaluate the energy efficiency impacts from the CEMP. O&R will use an appropriate evaluation methodology that includes the selection of a control group to measure behavioral energy savings from the treatment group. This will be done through a randomized control trial or a matched control group process to develop accurate measurement tools for the energy savings from the program.

Additional outreach and marketing will be done beyond the treatment group customers as detailed in section 4.4 and the Appendix.

4.3.2 THIRD PARTY SUPPLIERS (TPS)

O&R has numerous TPS installer partner relationships. TPS installers are defined as installers that are currently utilized to work with the Company and/or customers in a number of different capacities. Some installers are utilized by the Company to work for the Company in its facilities, substations and as needed during storms. These installers are reputable, experienced and highly regarded throughout the O&R service area. Some installers are used to assist in the installation of energy efficient products mainly working in the Small Business Direct Install program (SBDI). The Company also works with a number of installers through its contract with LIME Energy, who is currently the primary SBDI contractor. LIME Energy hires contractors to complete the installation of EE measures, which the Company is in contact with on a daily basis, randomly performing inspections on the work completed. In addition, the Company works closely with reputable installation contractor through the Company's Commercial and Industrial (C&I) EE program. These contractors are hired by our customers to complete the installation of large EE projects and work closely with the Company throughout the projects. The installers that provide services through this program are reputable companies and work closely with O&R throughout the installation process. TPS installers will be asked to participate with O&R for the purpose of the demonstration project. TPS installers participating in the program must enter into a written contract with O&R. TPS installers will have the ability to qualify for a gold and silver rating based on the number of referrals received, conversions completed and positive feedback received from customers regarding the service provided. O&R will not directly endorse any TPS installer.

The written contracts between O&R and TPS installers will define the responsibility of each party. TPS installers have been identified and will be contacted in early July by mail. O&R has identified 30 TPS installers that perform installations in the residential space to participate in the program. The contractors will be provided with an overview of the program in writing and asked to attend a meeting, sponsored by O&R to explain the program in more detail, later in July. Once the program is operational, additional installers will be asked to participate through similar communications during early 2016.

4.3.3 UTILITY RESOURCES AND CAPABILITIES

O&R has numerous resources and capabilities available to implement the CEMP demonstration project. In addition to the Company name and reputation and the TPS installer network, the Company will be partnering with other TPS installers during the implementation of the Pomona DER project. The Company has solicited input from more than 50 suppliers for the installation of DER measures in the Pomona load pocket. The Company is seeking out suppliers that will provide a mix of DR products and services, solar installations, battery storage, EE installations and other products and services that will help meet the future load requirements in the Pomona area and to postpone the construction of an area substation. In addition to the market partnerships that will be established through the Pomona project, O&R has the knowledge, expertise and data available to develop targeted programs in specific areas

identified as requiring future load reductions, resulting from periodic engineering studies. The CEMP will facilitate participation by customers in these areas through ongoing communications and targeted offerings including rebates, DR incentives and payments, EE measures and other programs, and products and services that customers can engage in to reduce consumption and earn incentives.

Additional O&R resources will be required to manage the demonstration project. Workload associated with managing the TPS installer network, product and services evaluation, pricing evaluation, customer communications and outreach, marketing, project monitoring and periodic reporting will require the addition of two O&R employees. The employee skills set O&R will require include marketing, advertising, DER and/or EE expertise and project management. The skills these employees bring to the project are skills that will be needed for future demonstration projects to fully develop the expansion of DER product and service offerings.

4.4 CUSTOMER OUTREACH/COMMUNITY ENGAGEMENT

By building upon a strong foundation of customer touch points and community interaction, the O&R program will also develop new methods of customer engagement to drive action. By leveraging customer motivations across intrinsic and extrinsic methods (from usage comparisons to rewards points and more), the program delivers a new level of targeted messaging as compared to traditional programs. This combination of behavioral intervention alongside a coordinated multi-channel marketing strategy leverages our partnership's deep knowledge of customer motivation and consumer marketing alongside regional and customer insights.

4.4.1 OUTREACH TO TARGETED COMMUNITIES

Targeting outreach efforts to specific communities will be an ongoing process. At the present time ten areas have been identified that will benefit from future load relief to avoid the investment of traditional infrastructure. Targeted outreach will be required in these areas to gain support of elected officials, community leaders, religious organizations and other interested parties. To engage communities and encourage the adoption of DER and EE, outreach programs will be designed to communicate the message at a grassroots level.

Communications will include targeted efforts including bill inserts, banners, media ads, email and meetings with community leaders and other prominent groups and organizations. O&R representatives will attend Town Hall meetings to give presentations and handouts explaining the need to reduce customer usage, how customers can engage in DER and EE to assist the State and Company to achieve the objectives of reducing demand, emissions and dependency on fossil fuels.

4.4.2 MOTIVATING CUSTOMERS/COMMUNITIES

To further promote the demonstration project, O&R will incorporate customer marketing and outreach to include various community forums used to promote and discuss EE and Retail Access programs. These forums are the perfect environment for engaging elected officials, community leaders, senior citizens, religious organizations and special interest groups. The forums include Town Hall meetings, Home Shows, CSEA Meetings, Community Expo's, Earth Day, Business Expo's, Home Energy Forums, Energy Choice Seminars, Senior Citizen Fairs and Emergency Preparedness Expo's. O&R's EE group attends on average 30-40 events per year.

The outreach plan includes a series of targeted efforts:

- Customer engagement outreach – leveraging emailed reporting (and mailed reporting as necessary) and other communications to targeted digital consumers.
- Digital marketing – utilize targeted digital channels (e.g. web, paid search) to drive traffic to the DER marketplace.
- Utility interaction channels – digital, print and customer touch points to deliver messaging and drive traction to customers.

The messaging and delivery channels utilize best-in-class digital marketing tools and behavioral motivations. By continuously A/B testing and using multi-channel outreach, the messaging and delivery mechanism will become increasingly micro-targeted and highly relevant. Simple Energy has seen action rates as high as 80% amongst targeted populations when the messaging has been refined for optimal motivation within the targeted segment and channel.

4.5 CONDITIONS AND BARRIERS

4.5.1 MARKET RULES AND STANDARDS

Traditionally utility earnings are derived from an approved rate of return on a utility's investment in capital infrastructure to support the safe and reliable operation of the transmission and distribution system. In this proposed demonstration project, the business model varies from a traditional model in that the Company will generate revenues from the sale of goods and services that will reduce energy and demand on the distribution system in order to defer investment in utility infrastructure. The profits earned in this project are expected to offset the reduced earnings resulting from decreased delivery sales, allowing the Company to earn at least what it would have earned on a traditional investment in infrastructure. In the event this project generates earnings in excess of a traditional investment, the Company should be allowed to retain those earnings for future investment.

To enhance customer participation in this project and similar projects, the ability to provide for the billing products and services on the traditional utility bill would facilitate ease of customer payment. While there are numerous impediments to providing nontraditional utility charges on the bill, such as the hierarchy of

applying payments to the oldest arrears, the inability to terminate service for non-service charges, late payment charges, complaint resolution and other HEFPA concerns, if these impediments were modified, reevaluated or no longer tied to HEFPA, providing non-service charges on the utility bill may be possible.

4.5.2 CONSUMER PROTECTIONS

The Platform uses industry standard security and data protections across Personally Identifiable Information, transaction information and data storage. This includes articulated customer privacy protections and terms of use, as well as robust back end security processes for data encryption, storage, and processing at the hardware, software, and processing layers.

Consumers will also be protected by the New York State Division of Consumer Protection for any complaints or issues related to goods or services purchased on the Platform.

4.5.3 MARKET CHALLENGES

Several market challenges exist that if eliminated would improve the success of the demonstration project. The first market challenge is that O&R lacks email addresses for many of its customers. O&R has 196,000 customers in its New York service territory, but only 63,000 email addresses on file. An immediate and ongoing effort will begin to obtain an email address from each customer engagement. Customers contact the Company using telephone and often through web transactions, points in time where requesting an email address is quick and convenient.

A second challenge is the implementation of Advanced Metering Infrastructure (AMI). The Company is currently pursuing the roll-out of AMI in its Rockland County service area, although the time of the implementation will not coincide with the demonstration project. Once approved by the Commission, the earliest possible time to begin installing AMI meters would be during the late summer or early fall of 2016. AMI provides the ability to capture customer usage data on a 15 minute interval and substantially improves the quality of data used to perform detail customer usage analysis. Granular usage data serves an important role in helping to determine which products and services offered on the CEMP would produce the greatest energy savings for our customers.

An additional market challenge relates to our customers' understanding of the REV concept and the importance of DER and EE. Customers do not completely understand how the utility industry works. Often we find at outreach events that customers are confused when we enter into discussions regarding Retail Access and EE. Changes in the utility market are not often easy to understand for the average customer that does not follow industry. One of the primary focuses of this project will be to make an aggressive effort to communicate REV principles and the important role the customer plays in implementing DER and EE products needed to reduce demand on the distribution system.

5.0 FINANCIALS

5.1 UTILITY REVENUE STREAMS

The revenue stream produced by the demonstration project will include the following components:

1. Revenue from Advertising – TPS installers will advertise their company name on the CEMP. These suppliers will pay the Company a monthly fee for the advertising space. The advertising fees have not yet been established but are expected to be minimal initially, i.e., \$50- \$100. For an additional fee, a TPS installer may qualify to be identified as gold or silver rated installer, based on the number referrals received, installations completed and positive customer feedback received. TPS installers meeting the criteria of gold or silver status will pay an additional fee, \$75 for silver and \$100 for gold on a monthly basis to become a customer preferred installer.
2. Referral Fees – As customers contact TPS installers requesting more information about products and services, or request an in-person consultation, a referral fee will be paid to the Company. This fee will be based on product and service type at an amount to be determined.
3. Conversion Fees – At the time a TPS installer completes the implementation of a product or service, a pre-determined conversion fee will be paid to the Company, based on product category at an amount to be determined.
4. Product Sales Fees – The Company will receive a percentage of sales for all customer purchases made on CEMP. Sales fees are expected to range between 20-30% of the total product sale price and will be paid to the Company. See Figure 5.1

5.1.1 PLATFORM SERVICES AND PRICING STRATEGIES

Advertising fees to be collected from DER providers will vary depending on DER category and based on approximate value produced for the DER vendor from access to highly qualified buyers. The core to the pricing model is to lower customer acquisition costs via the improved targeting and recurring, personalized messaging offered by the CEMP.

Note, specific fees for advertising, referrals and conversions have not been identified by product type and will require additional analysis and discuss, prior to implementation, to establish the accurate price point for these fees.

For O&R, sales of individual products and services on the CEMP have several potential ways to enhance revenue streams:

- Offer rebates for enrollment in the Companies DR and EE program and participation incentives;

- Purchase of hardware and services at bulk discounts; and
- Payment terms and financing agreements sponsored through Simple Energy.

Pricing strategy is critical for the success of this program. The process is currently underway and will take several weeks to conclude. O&R’s intention is to build a pricing strategy that maximizes benefit to the customer, Company and TPS installers. O&R and Simple Energy are reviewing various products, price points and TPS installer fees to establish accurate price points. The review of industry data in addition to local product costs, labor costs and advertising rates are critical to establishing accurate price points.

1. CEMP Services Referrals – O&R will receive a portion of the profit earned by referring customers to TPS installers, who will pay the marketplace a referral fee as customers contact and ultimately hire them.
2. CEMP Advertising – we will collect and share between O&R and Simple Energy fees from third parties utilizing the marketplace to advertise their services.

5.2 INVESTMENTS

5.2.1 TIMING OF INVESTMENTS

Investment in the project will begin in August 2015 or 30 days from regulatory approval at which time a contract will be executed with Simple Energy. Investment will end with the conclusion of the demonstration project, currently planned for 12/31/17. (See Figure 5.1).

Figure 5-1. PROJECT COSTS – CEMP INVESTMENT

	Pre-Year 1	Year 1	Year 2	Year 3	Total
Program	\$ 75,000	\$ 645,000	\$ 670,000	\$ 695,000	\$ 2,085,000
Resources	\$ 93,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 1,218,000
Total Cost	\$ 168,000	\$ 1,020,000	\$ 1,045,000	\$ 1,070,000	\$ 3,303,000
<i>Note: 2 resources at 80% overheads</i>					

O&R anticipates a team of two Company employees will be needed to implement, monitor and evaluate the demonstration project(s) going forward. These new employees will focus only on the demonstration projects. The team will consist of a section manager and one analyst. These employees will work with Simple Energy, vendors and TPS installers to evaluate new and existing products and offerings, negotiate CEMP fees, and identify and implement methods to improve participation and identify additional revenue generating opportunities.

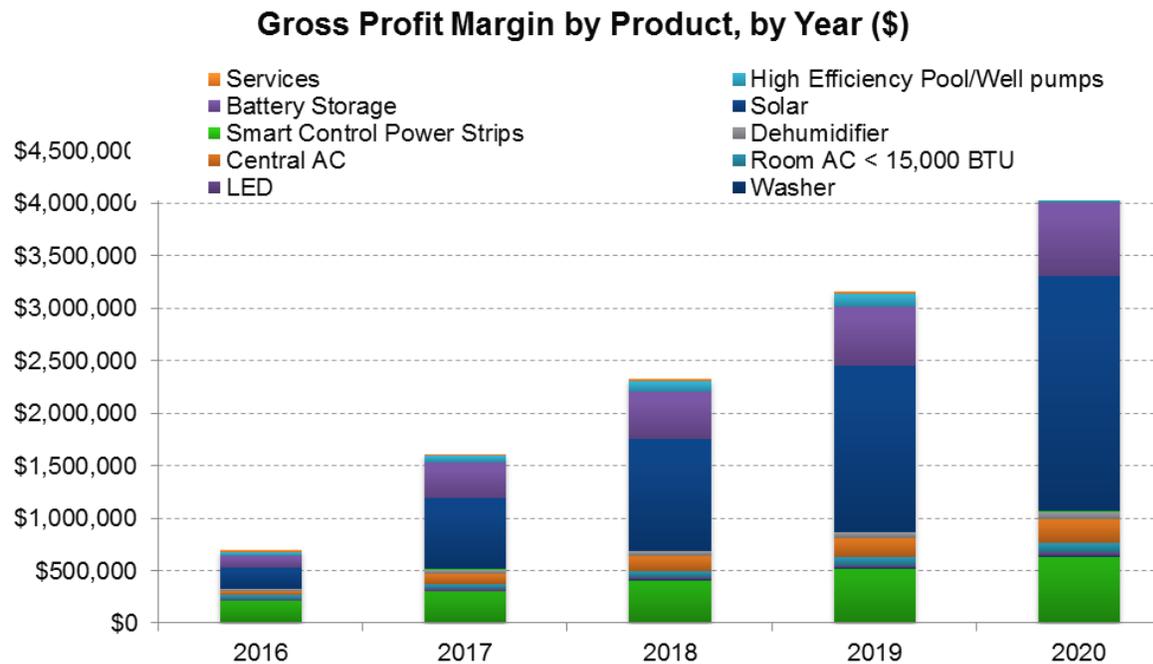
5.2.2 THIRD PARTY CAPITAL

Simple Energy will contribute its extensive R&D investment and ongoing operational and marketing investment to CEMP operations and share in transaction margins from additional service providers engaged as part of the CEMP.

5.3 RETURNS

See figures 5-2 below for a summary of gross profit margin by year.

Figure 5-2. GROSS PROFIT MARGIN BY PRODUCT AND YEAR



5.4 COST EFFECTIVENESS

The project has been analyzed to compare the three year stream of benefits to the three year stream of costs, resulting in a benefit/cost ratio yielding a result of 1.4. At a total project level, it will yield a positive revenue stream for both Simple Energy and O&R over a three year period. Recognizing that this project is a new venture, the project does not generate a positive revenue stream until year two. In addition, the benefit/cost analysis is subject to change based on final measure mix implemented and does not account for the loss of T&D revenue, which will be recovered through the Company's Revenue Decoupling Mechanism under the current rate agreement.

6.0 REPORTING

O&R will provide quarterly reports to DPS Staff that will include metrics for the following platform activities:

- Number of customers enrolled in the program- Customer activity on the Marketplace Platform;
- Email open rates – Number of emails distributed versus opened;
- Total traffic to web site – Number of hits to the CEMP platform;
- Number and type of customer conversions- Conversions completed by TPS installers;
- Marketplace Platform referrals- TPS installer activity;
- Transactions by product category –Number of products purchased by type through the Marketplace; and
- Number of active product vendors – Vendors actively advertising on the Marketplace.

7.0 CONCLUSION

This demonstration project will test the concept of a new utility business model designed to engage customers in the management of their energy usage through the use of a data analytics and transactional Platform. The resulting outcome will identify personalized recommendations that customers can implement to lower energy bills and integrate DER products and services to efficiently manage energy consumption. The CEMP will also include a Marketplace component that will facilitate the adoption of DER products and services that customers may purchase. Product vendors and TPS installers will advertise on the CEMP providing a revenue stream from advertising, referrals, conversions and product sales. O&R will contribute its expertise on the operation of the distribution system, its brand name, advertising and media channels and community and TPS installer partnerships. Simple Energy will contribute its behavioral analytics, the CEMP, marketing talents, product experience and vendor relationships.

The overall expectation of the project is to test the following hypotheses:

1. An O&R-sponsored program that matches specific DER and energy efficiency (EE) solutions to eligible customers will drive greater adoption of these technologies.
2. The O&R brand will encourage customers to participate in the purchase of products, services and offerings.
3. This project will determine the potential for additional revenue generating opportunities and identify the potential for future opportunities.
4. Help O&R Identify what additional motivational tools are required to change customer behavior and purchasing decisions towards DER and EE solutions.

7.1 POST DEMONSTRATION BENEFITS

7.1.1 QUALITATIVE

1. An animated and fully activated market for energy products and services will exist in the O&R territory. As consumers better understand both their usage and ways to manage their usage, they will become more sophisticated, thereby reducing the need for large-scale utility run and government mandated EE programs.
2. Through development of a new model for EE and DER delivery that leverages information-based tools to drive tailored customer experiences and enhanced by targeted incentives, the demonstration project will test a future model for energy markets. This includes the end state integration of non-wires alternatives with energy efficiency and product/service purchases, distributed generation and a modernized grid.
3. Understanding the utility as a platform – this project will help elucidate the effective roles utilities can assume in building customer motivation and streamlining customer action. Across products and services – moving from an initial product set to demonstrate a comprehensive suite of options for customers from behaviors to products and services across DER categories.
4. Additional business models – while starting with transaction, fee and advertising based models to test, scaling models can include financing, integration to supply management, and other ways to monetize the asset value beyond only rate-base.
5. Integration – future integrations include smart metering, demand response (e.g. non-wires alternatives), time of use rates and other aspects of the customer experience. By leveraging the platform as a central tool of enablement, new customer offers are scalable through developed marketing and engagement channels.

7.1.2 QUANTITATIVE

The CEMP will provide customers with high quality products and services that promote energy conservation and demand reduction.

By facilitating the use of customer owned DER products and services, O&R will obtain effective management of the grid and perhaps defer investment in traditional utility infrastructure. In addition, it will also reduce costs to customers by reducing system capacity costs.

The reduction of carbon emissions through reduced customer energy usage will contribute towards the overall reduction in New York.

7.2 PLANS TO SCALE

The CEMP will be developed to allow for future scaling. As customer awareness of the offering develops, O&R and Simple Energy are prepared to expand the products and services offered, increase the TPS installer network and evolve the project into a fully integrated DER platform. This will provide customers with DER products and services they want and support long term utility grid management. The ability to offer a full line of energy efficient appliances that can be cycled during peak events is also a part of our expansion plan. In addition to expanding into solar offerings, battery storage services and equipment maintenance, we anticipate expanding into solar aggregation, EV management and the ability to control customer purchased devices. If program adoption does not grow as expected, the program will be scaled back. Through the evaluation of sales and product offerings, TPS installer participation and revenue generation, a determination may be made to scale the program back or possibly terminate the demonstration project. If the project does not cover the cost to implementation including resource costs, profit sharing and the ability to cover lost T&D revenue as a result of energy reductions, the Company may choose to scale the program back over time and ultimately terminate the project.

7.2.1 BREAK POINT

The project break point will be reached if the project does not meet the criteria outlined in the project evaluation metrics Figure 4-4, by the end of 2017.

7.3 ADVANTAGE

To date, New York has tried to educate consumers with multiple tools on utility, NYSERDA and third party websites. These efforts, however, have not led to significant customer adoption of DER. By refining marketing efforts (coupling the O&R brand and customer data with innovative forms of engagement from Simple Energy), the end state will be a more engaged and sophisticated energy prosumer market in New York. The existence of a platform for introduction of new goods and services in the energy market, such as storage or additional products, will also attract new DER providers to the state.

An integrated engagement and transactional experience will help to motivate customers to act and streamline that action. This will lead to a win-win-win-win for customers, third party product/service providers, the grid itself and REV policy objectives, as well as for O&R.

8.0 APPENDIX

APPENDIX A – MARKETING PLAN



Orange & Rockland Customer Engagement Portal Marketing Plan

DRAFT 6.16.2015 Proprietary & Confidential

CEP Key Value Props: Understand your energy usage | Discover energy-saving products and services | Use instant rebates | Compare prices at leading retailers

Phase	Week	Category	Channel	Topic/Message	Target Audience	"From"	Distributed By	Brief Description	KPIs/Analysis	Testing	Social Integration	CopyDeck	Image
Prelaunch	-4	Utility Website	Utility Co CEP	Password protected CEP site is live for UAT testing and final implementation	Launch customers	Utility Co	Utility Co	CEP site is ready to go and is password protected. Should be moved into UAT phase.	Site functions properly, CC's work and an actual purchase is made successfully.	UAT	n/a	See Matrix	See Matrix
	-4	PR/Media	Press Release (under embargo)	Utility Co Launches New CEP to Consumers	Media outlets	Utility Co	Under embargo	products you can find in the CEP, a quote from the utility co., and why the utility co saw a need for a CEP like this to offer their customers. Good time to talk about improving the customer relationship, increase loyalty and be a trusted energy advisor.	Number of wire reads, wire shares, reporter interview requests, redistro of PR on news sites and social media	n/a	Share PR on social channels	n/a	logo/ headshot of those quoted
	-4	PR/Media	Media Pitches (under embargo)	Begin conversations and pitches with media, share details under embargo to gain momentum and have PR go live day of. Will need a Utility Exec to be the press POC.	Media outlets	Utility Co/SE/PR agency	SE/PR agency	Pitching to reporters to keep CEP top of mind, following up with reporters about the results of the product	Number of interview requests, media interest, actual published articles	n/a	Share published articles on social channels	n/a	Upon media request
	-4	Utility Website	Public-facing Utility Co. Website	All message integration is in place and ready to go live (results from CEP Marketing Website Audit. See: Matrix)	All customers	Utility Co	Utility Co	CEP messages and images are implemented throughout the UtilityCo.com site on homepage, nav bars and landing pages	n/a	n/a	n/a	n/a	link
	-4	Internal Communication	Email	CEP launch	Employees	Utility Co	Utility Co	We are launching a new customer solution called CEP Here are all the great things about it, and how you can start shopping in it.	Employee feedback	n/a	n/a	link to location	link to location
	-4	Internal Communication	Newsletter	CEP launch	Employees	Utility Co	Utility Co	We are launching a new customer solution called CEP Here are all the great things about it, and how you can start shopping in it.	Employee feedback	n/a	n/a	link to location	link to location
	-4	Internal Communication	Collateral	CEP launch	Employees	Utility Co	Utility Co	We are launching a new customer solution called CEP Here are all the great things about it, and how you can start shopping in it.	Employee feedback	n/a	n/a	link to location	link to location
	-4	Internal Communication	Intranet	CEP messaging integrated	Employees	Utility Co	Utility Co	We are launching a new customer solution called CEP. Here are all the great things about it, and how you can start shopping in it.	Employee feedback	n/a	n/a	link to location	link to location
	-4	Internal Communication	CSR	CEP script and training	CSR	Utility Co/SE	Utility Co	Here is a script of what CEP is and how you should talk to it about customers.	Employee feedback	Employee experience	n/a	link to location	link to location
	-4	Customer Communication	Bill Onsert	Marketing teaser "Coming soon!"	Launch customers	Utility Co	Utility Co	New Product Coming Soon!	Customer feedback, if any	placement, text color	n/a	link to location	link to location
	-4	Customer Communication	E-Bill	Marketing teaser "Coming soon!"	Launch customers	Utility Co	Utility Co	New Product Coming Soon!	Customer feedback, if any	placement, text color	n/a	link to location	link to location

Orange & Rockland Customer Engagement Portal Marketing Plan

CEP Key Value Props: Understand your energy usage | Discover energy-saving products and services | Use instant rebates | Compare prices at leading retailers

Phase	Week	Category	Channel	Topic/Message	Target Audience	"From"	Distributed By	Brief Description	KPIs/Analysis	Testing	Social Integration	CopyDeck	Image	
Initial Launch	1	Customer Communication	Email (day of)	CEP Welcome	Launch customers	Utility Co	Simple Energy	Welcome to the [Utility Co] CEP the best place to shop for energy saving products and appliances for your home.	Unique Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, Image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to image	
	1	Customer Communication	Email (2 days after)	Instant Rebates	Launch customers	Utility Co	Simple Energy	Ready, set, rebate! Filling out and mailing in rebate paperwork is a thing of the past! When you purchase a product in CEP, the rebate is instantly applied at checkout.	Unique Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, Image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to image	
	1	Customer Communication	Email (3 days after)	CEP Welcome	Launch customers	Utility Co	Behavioral EE Provider	Welcome to the [Utility Co] CEP, the best place to shop for energy saving products and appliances for your home.	Unique Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, Image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to image	
	1	Social	Blog	Introducing CEP	Social Followers	Utility Co	Simple Energy	Welcome to the [Utility Co] CEP the best place to shop for energy saving products and appliances for your home.	Site traffic, social shares, comments, time on page		publish time, time when shared across social channels	Make it easy to share across networks with a one-click share tool	link to location	link to image
	1	Social	FB, Twitter, LI, Etc.	We've launched CEP!	Social Followers	Utility Co	Simple Energy	Welcome to the [Utility Co] CEP, the best place to shop for energy saving products and appliances for your home.	Engagement, comments, new page Likes, Follows, and RTs	Copy testing, image test, share time and frequency (same message sent to different audience segments at different times)	Make it easy to share across networks with a one-click share tool	link to location	link to location	
	1	Customer Communication	E-Bill	CEP Welcome	Launch customers	Utility Co	Utility Co	Welcome to the [Utility Co] CEP, the best place to shop for energy saving products and appliances for your home.	Customer feedback, if any	placement, text color	Share this!	link to location	link to location	
	1	Customer Communication	Bill Insert	CEP Welcome	Launch customers	Utility Co	Utility Co	Welcome to the [Utility Co] CEP, the best place to shop for energy saving products and appliances for your home.	Customer feedback, if any	placement, text color	n/a	link to location	link to location	
	1	PR/Media	Press Release	Utility Co Launches New CEP to Consumers	Launch customers	Utility Co	Regional Newswire	PR announcement about the CEP opening, the products you can find in the CEP, a quote from the utility co., and why the utility co saw a need for a CEP like this to offer their customers. Good time to talk about improving the customer relationship, increase loyalty and be a trusted energy advisor.	Number of wire reads, wire shares, reporter interview requests, reditors of PR on news sites and social media	n/a	Share PR on social channels	PR	logo/ headshot of those quoted	
	1	PR/Media	Event	Launch party	Select Launch Customers	Utility Co	Utility Co	Invite a select set of launch customers to an exclusive CEP launch party. Walk them through the store, encourage them to bring friends and family. Not not will this increase store awareness, but will also help tighten the ties between utility and customer.	Number of people at event, social listening, engagement at event.	n/a	Promote event across social channels.	n/a	Upon request	
	1	Content/Collateral	Social/Customer Communication	CEP Overview one-pager	Launch customers	Utility Co	Utility Co	Describe what CEP is, what the value propositions are, how to access and shop, and what value it brings to the customer. Strong CTA here. Distribute across channels as an email include, image on social and a bill insert piece (if budget allows).	This would depend on chosen channel distribution	This would depend on chosen channel distribution	This would depend on chosen channel distribution	This would depend on chosen channel distribution	This would depend on chosen channel distribution	
	2	Customer Communication	Email	Rebate Awareness	Launch customers	Utility Co	Simple Energy	Ready, set, rebate! Filling out and mailing in rebate paperwork is a thing of the past! When you purchase a product in CEP, the rebate is instantly applied at checkout.	Unique Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, Image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to image	
	2	Content/Collateral	FB, Twitter, LI, Etc.	About CEP (video)	Social Followers	Utility Co	Simple Energy	Less than 1 minute video that walks a user through what CEP is, how to access it, and how to make a purchase	Engagement, comments, shares of the video link, posts on social media	how it performs (if of plays vs # of watches that end prior to completing the entire video and if the video is played more or shared more when posted on different social channels vs offering it in an email.	Add social embeds, enable comments	Script to be written	TBD	
	2	Social	Blog	Thought Leadership	Social Followers	Local thought leader	Utility Co and prominent thought leader	Author to write how they think this product will impact the industry	Page visits, shares, comments, site traffic	image testing, headline testing	Add social embeds, enable comments	TBD	TBD	
	2	Social	FB, Twitter, LI, Etc.	Thought Leadership	Social Followers	Local thought leader	Utility Co and prominent thought leader	Author to write how they think this product will impact the industry	Page visits, shares, comments, site traffic	image testing, headline testing	Add social embeds, enable comments	TBD	TBD	
	2	PR/Media	Press	Ongoing interview pitching	Media outlets	Utility Co./SE/PR agency	SE/PR agency	Keeping the CEP top of mind for reporters and making time to accommodate interview requests on short notice.	Number of interview requests, media interest, actual published articles	n/a	Share published articles on social channels	-	-	
	2	PR/Media	Community	Events	Region	Utility Co	Utility Co	Be present at relevant community events to help promote CEP	Community engagement and interest, attendance					

CEP Key Value Props: Understand your energy usage | Discover energy-saving products and services | Use instant rebates | Compare prices at leading retailers

Phase	Week	Category	Channel	Topic/Message	Target Audience	"From"	Distributed By	Brief Description	KPIs/Analysis	Testing	Social Integration	Copy Deck	Image
W a r m i n g	5	Customer Communication	Email	Informed Buyer	Launch customers	Utility Co	Simple Energy	We make it easy to be a savvy customer. Compare product reviews, energy savings and price all in one place. We know you want to make smart, informed purchases, but these days, who has the time for thorough research?	Unique Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, Image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to location
	5	Customer Communication	Bill Onsert	Shopping CEP tips	Launch customers	Utility Co	Utility Co	How to get the best out of CEP, monthly tips offered with utility bill	Traffic, product purchases in relation to tip offered	See what traction takes place after offering tips within bills after six months	-	TBD	TBD
	6	Customer Communication	Email	Best Sellers	Launch customers	Utility Co	Simple Energy	See what's hot. Check out Best Sellers in the CEP. See which energy-saving products are flying off our virtual shelves the fastest! Shop the best sellers list in the CEP for appliances, lighting, and more.	Unique Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, Image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to location
	6	Social	FB, Twitter, LI, Etc.	Product specific profiles	Social followers	Utility Co	Simple Energy	Social image that link to products page/product highlight. Promote also in social networks.	Site traffic, social shares, comments, time on page	publish time, time when shared across social channels	Make it easy to share across networks with a one-click share tool	link to location	link to location
	7	Customer Communication	Email	CEP on Sale	Launch customers	Utility Co	Simple Energy	Seriously low prices. Serious energy savings. See What's on Sale. Want to upgrade your appliances but think you can't afford it? Think again. See what's on sale this week.	Unique Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, Image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to location
	7	Social	FB, Twitter, LI, Etc.	Product specific profiles	Social followers	Utility Co	Simple Energy	Social image that link to products page/product highlight. Promote also in social networks.	Site traffic, social shares, comments, time on page	publish time, time when shared across social channels	Make it easy to share across networks with a one-click share tool	link to location	link to image
	7	Paid Marketing	Email blast	CEP value props for customers	Target customers who have not taken action	Utility Co	Third party industry pub	Eblasts are usually sold in a series of three that are staggered weekly to the supplied email send list. Pick the top three value props for CEP that appeal most to your customer base and use it as the topics for these emails.	Unique Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, Image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to location
	8	Social	FB, Twitter, LI, Etc.	Product specific profiles	Social followers	Utility Co	Simple Energy	Social image that link to products page/product highlight. Promote also in social networks.	Site traffic, social shares, comments, time on page	publish time, time when shared across social channels	Make it easy to share across networks with a one-click share tool	link to location	link to location
	8	Customer Communication	Email	Intro to Service Categories	Launch customers	Utility Co	Simple Energy	Need install? We've got you covered. Let us connect you with qualified service technicians. The CEP has pre-screened, qualified and trustworthy professionals ready to apply their expertise for all your installation needs. Schedule your install today.	Unique Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, Image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to location



Orange & Rockland Customer Engagement Portal Marketing Plan

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CEP Key Value Props: Understand your energy usage | Discover energy-saving products and services | Use instant rebates | Compare prices at leading retailers

Phase	Frequency	Category	Channel	Topic/Message	Target Audience	"From"	Distributed By	Brief Description	KPIs/Analysis	Testing	Social Integration	CopyDeck	Image
Ongoing	Weekly	Customer Communication	Email	Top Rebates	Launch customers	Utility Co	Simple Energy	Don't Wait! Search by Rebate. The wait for a new energy-efficient refrigerator, washing machine or dishwasher could be shorter than you think. Instant rebates can greatly reduce the cost of major appliances and put its purchase within reach. Visit the CEP today to browse products that qualify for top rebates.	Unque Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to location
	Weekly	Customer Communication	Email	Sort by Energy Savings	Launch customers	Utility Co	Simple Energy	Energy Savings. Quantified. Need proof that your energy-efficient investment will pay off in actual energy savings? The CEP has you covered. Estimates of annual energy savings are included with every product profile. Sort by estimated energy savings to compare similar products and see which ones top the list.	Unque Open Rates, Click Rate, Forwards, Total Sales, Conversion Rate, Unsubscribe Rate, Bounces, Site Traffic	A/B Test Subject lines, image Testing, Send Time, Frequency, CTAs	Add social shareables in the email	link to location	link to location
	Bi-weekly	PR/Media	Press	Keep following up and offering reporters new numbers, product developments, etc.	Launch customers	Utility Co	Simple Energy	Keeping the CEP top of mind for reporters and making time to accommodate interview requests on short notice.	Number of interview requests, media interest, actual published articles	n/a	n/a	n/a	Upon media request
	Ad hoc	PR/Media	Press	Byline article opportunities	Press	Utility Co	Industry Publication	Keep an eye out for any by line article opportunities in which the utility can 1. promote the product 2. create brand awareness 3. develop thought leadership	Number of interview requests, media interest, actual published articles	Publication testing	Share published articles on social channels	TBD	TBD
	Quarterly	Internal Communication	Newsletter	Tell us: how is CEP doing?	Employees	Utility Co	Utility Co	Employee feedback on the product, what they are hearing from customers	Employee feedback	n/a	n/a	TBD	TBD
	Quarterly	Internal Communication	Email	What are our customers saying about CEP?	Employees	Utility Co	Utility Co	Testimonial campaign, get quotes to use in future marketing materials	Employee feedback	n/a	n/a	TBD	TBD
	Ad hoc	Social	Blog	The CEP Experience	Social followers	Utility Co	Simple Energy	Give the blog audience a taste of what it's like inside CEP and the new utility experience it provides.	Site traffic, social shares, comments, time on page	publish time, time when shared across social channels	Make it easy to share across networks with a one-click share tool	link to location	link to image
	Ad hoc	Paid Marketing	Google	Drive traffic and increase brand awareness of CEP	Geographically focused to launch customers, customers searching using the triggered keywords	Utility Co	Google	Keep refreshing keyword triggers and adjusting ads as budget allows	Impressions, clicks, traffic	Ad copy and imagery, keyword triggers	-	TBD	TBD
	Ad hoc	Content/Collateral	All	Updating product collateral as product develops	Utility Customers	Utility Co	Utility Co	Keep content update on product changes/developments	n/a	n/a	n/a	TBD	TBD
	Ad hoc	Internal Communication	CSR	Update scripts and employee trainings on the product	Employees	Utility Co	Utility Co	Keep employees updated on the most recent product changes. Keep audience engaged with refreshed content and images diving to CEP	n/a	n/a	n/a	TBD	TBD
	Ad hoc	Social	FB, Twitter, LI, Etc.	Update as needed	Social followers	Utility Co	Utility Co	Updates as needed	n/a	n/a	n/a	TBD	TBD
	Ad hoc	Utility Website	Website	Update as needed	Utility Customers	Utility Co	Utility Co	Updates as needed	n/a	n/a	n/a	TBD	TBD
Triggered/Transactional Communications	PRN	Customer Communication	Email	Reset Password	Utility Co	Simple Energy	Utility Co	Reset your password. CEP has received a request to reset your account password. Please click the link below to create a new password.	n/a	n/a	n/a	TBD	TBD
	PRN	Customer Communication	Email	Abandoned shopping cart	Utility Co	Simple Energy	Utility Co	We see you left somethings in your cart! Don't leave them hanging. Come back to complete your purchase.	n/a	n/a	n/a	TBD	TBD
	PRN	Customer Communication	Email	Thanks for your purchase!	Utility Co	Simple Energy	Utility Co	Thanks for your purchase of _____. Here are your order details. Your order has been received and our energy joggernauts are reviewing it now.	n/a	n/a	n/a	TBD	TBD
	PRN	Customer Communication	Email	Your recent order has been received	Utility Co	Simple Energy	Utility Co	Hurray! Your order is on its way to its new home! Yours!	n/a	n/a	n/a	TBD	TBD
	PRN	Customer Communication	Email	Your order is on its way	Utility Co	Simple Energy	Utility Co	Your order has arrived. Enjoy!	n/a	n/a	n/a	TBD	TBD
	PRN	Customer Communication	Email	Your order has arrived	Utility Co	Simple Energy	Utility Co	Your order has arrived. Enjoy!	n/a	n/a	n/a	TBD	TBD

