April 28, 2017

VIA EMAIL

Honorable Kathleen Burgess
Secretary, New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 14-M-0101 – Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision (REV) – Demonstration Project Quarterly Report

Dear Secretary Burgess:

On behalf of New York State Electric & Gas Corporation’s and Rochester Gas and Electric Corporation’s, subsidiaries of AVANGRID, Inc., enclosed for filing are the quarterly reports for the Community Energy Coordination, the Flexible Interconnect Capacity Solution, and the Energy Marketplace demonstration projects. These reports cover the period of January 1, 2017 through March 31, 2017.

If you have any questions, please contact me directly at 607.762.4977.

Respectfully submitted,

Scott Bochenek

Enclosure
Reforming the Energy Vision
Demonstration Project Q1 2017 Report

Community Energy Coordination
# Table of Contents

1.0 Executive Summary .................................................................................................................. 3  
2.0 Demonstration Highlights since the Previous Quarter .............................................................. 3  
   2.1 Activity Overview .................................................................................................................. 3  
      2.1.1 Activity: Service Provider Engagement ........................................................................ 3  
      2.1.2 Activity: Platform Development .................................................................................. 4  
      2.1.3 Refine Project Metrics ................................................................................................. 5  
      2.1.4 Activity: Marketing Plan Development ......................................................................... 5  
      2.1.4 Activity: Active Marketing .......................................................................................... 6  
      2.1.5 Sales Completion .......................................................................................................... 6  
      2.1.4 Activity: Community Engagement .............................................................................. 6  
   2.2 Metrics and Checkpoints ...................................................................................................... 7  
3.0 Work Plan .................................................................................................................................. 8  
   3.1 Budget Review ...................................................................................................................... 8  
   3.2 Updated Work Plan .............................................................................................................. 9  
   3.3 Next Quarter Planned Activities ....................................................................................... 10  
4.0 Conclusion ............................................................................................................................... 10
1.0 Executive Summary

New York State Electric and Gas ("NYSEG" or "the Company") submits this quarterly report on the progress of the Community Energy Coordination (CEC) demonstration project. The CEC demonstration project is attempting to reduce customer barriers to the adoption of distributed energy resources (DER).

Through the CEC project NYSEG is marketing three different DER’s; residential solar, community shared solar, and energy efficiency services, directly to its customers. Customers are encouraged to go to an online services marketplace where they are able to gather information and connect with participating energy efficiency and community shared solar service providers, and receive competitive quotes from residential solar service providers.

The services marketplace platform, yeshomesolutions.com, was launched during Q1 2017. Other milestones that were met during Q1 included on-boarding of the participating service providers and completion of the project marketing plan.

Plans for Q2 2017 include:

- Marketing plan execution
- Analyzing customer response and website traffic
- Online platform refinement
- Analyzing initial service provider results

2.0 Demonstration Highlights since the Previous Quarter

2.1 Activity Overview

Major accomplishments during Q1 2017 included:
- Established agreement with eight service providers representing ten different services.
- Developed the structure and content for the yeshomesolutions.com site including site testing.
- Finalized the marketing schedule and plans.
- Yeshomesolutions.com site launch and marketing launch.

2.1.1 Activity: Service Provider Engagement

Eight DER service providers are participating in the demonstration project representing ten different services. These include:
Energy Efficiency

- Halco
- The Insulation Man
- SNUG Planet
- Zerodraft

Residential Solar

- ETM Solar Works
- Halco
- Solar Liberty
- Twin Tier Solar
- Taitem Engineering

Community Shared Solar

- Taitem Engineering

Service providers have been engaged throughout the quarter, providing relevant content for site development and establishing feedback loops. Additionally, EnergySage hosted training meetings with individual residential solar contractors to either set up or fine tune their online profiles. EnergySage taught contractors how to use the system and shared best practices.

2.1.2 Activity: Platform Development

NYSEG partnered with Simple Energy and Energy Sage to deliver the online platform for connecting customers with participating service providers. The online platform was launched on March 16th and is an informative resource for customers while facilitating customer-service provider engagement.

Outline of major activities:

- Simple Energy built the yeshomesolutions.com platform and gathered NYSEG’s input for content and site structure throughout the process.
- Data tracking and reporting mechanisms between NYSEG and Simple Energy as well as NYSEG and the service providers were identified and roles were assigned.
- Website testing was performed and approved.
- Contractor feedback was received to improve the site.
- Full site launch occurred on March 16th.
2.1.3 Refine Project Metrics

Based on the lead referral agreements executed with the participating service providers, revenue will be generated based on a lead referral fee. For the demonstration period the lead referral fee will only be charged if a lead is converted to a sale.

A goal has been established to generate 500 leads during the six month period of April to September with an estimate of 250 leads being for Home Assessments and 250 leads being for solar.

It is a reasonable estimate for 20% of leads to become actual projects for the participating service providers. If that is achieved we can expect approximately 50 completed energy efficiency projects and 50 completed solar projects at the conclusion of this demonstration project with estimated revenue of

Project metrics that will be tracked include:

- Email open rate
- Email click through rate
- Website visits from postal mailers
- Volume of website sessions and users
- Leads generated
- Contracts signed
- Energy efficiency kWh and therm savings
- Solar capacity

2.1.4 Activity: Marketing Plan Development

The marketing plan was created during the first quarter and includes the following elements:

- Email marketing
  - General
  - Home assessment specific
  - Solar specific
- Postal mail marketing
  - Home assessment postcards
  - Solar postcards
- Online advertising
- Hyper local marketing
  - News letters
  - List serves
  - Word of mouth
2.1.4 Activity: Active Marketing

Project marketing kicked off during the first quarter and included:

- 3/21/17 – launch announcement email going to 5% of customers with email addresses in Tompkins County
- 3/24/17 – launch announcement email going to 10% of customers with email addresses in Tompkins County
- 3/29/17 – launch announcement email going to the remaining 85% of customer with email addresses in Tompkins County

2.1.5 Sales Completion

Initial website traffic and lead volumes are encouraging. From 3/21/17 until 3/27/17 there were 312 website sessions with 11 leads generated. This is with the small 15% volume of emails issued. Additional details regarding site performance and sales volumes will be included with the Q2 2017 status report.

2.1.4 Activity: Community Engagement

- The Community Advisory Board met in January and were provided an overview of market survey results
- On March 29th the Community Advisory Board was given the opportunity for a live demonstration of the website during which feedback on the site was received. Written feedback is being collected and reviewed.
- Information about yeshomesolutions.com was shared with various community list-serves.
- Multiple additional discussions regarding this project were held with various other community stakeholders throughout the quarter.
### 2.2 Metrics and Checkpoints

#### Table 1: Completed Checkpoints

<table>
<thead>
<tr>
<th>Check Point</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Product Offering</td>
<td>Included in Q1 2016 status report</td>
</tr>
<tr>
<td>Identify Target Customers</td>
<td>Q4 2016</td>
</tr>
<tr>
<td>Program Design</td>
<td>Completed with signed contractor agreements and launch of site.</td>
</tr>
</tbody>
</table>

#### Table 2: Check Points

<table>
<thead>
<tr>
<th>Check Point</th>
<th>Description</th>
</tr>
</thead>
</table>
| Community Stakeholder Support of Project | Measure: Community stakeholders support the project  
How: Community Advisory Board expresses satisfaction with the project  
When: Q2 2017                                                                                           |
| Customer Response                  | Measure: Eligible customers response to project communications  
How: Customer contact tracking  
Target: 500 leads  
Actual: 11  
% of Target Achieved: 2%  
When: Ongoing                                                                                     |
| Customer Adoption                  | Measure: Eligible customers commitment to project offerings  
How: Customer sales  
Target: 100 projects  
When: Q3 2017                                                                                     |
| Revenue Generation                 | Measure: Lead fees generated  
How: Documented total lead fees paid by participating service providers  
Target: $240 per lead  
When: Q4 2017                                                                                     |
| Program Efficiency                 | Measure: Customer acquisition costs are lower than business as usual  
How: Documented CEC acquisition cost per # of enrolled customer  
Target: <= participating service provider benchmark  
When: Q4 2017                                                                                     |
| Service Provider Satisfaction      | Measure: Participating service providers are satisfied with the CEC project  
How: Survey of participating service providers  
Target: >85% satisfaction with the project  
When: Q4 2017                                                                                     |
3.0 Work Plan

3.1 Budget Review
### 3.2 Updated Work Plan

#### Table 4: Work Plan

<table>
<thead>
<tr>
<th>Phase 0: Project Development</th>
<th>2015 Q3</th>
<th>2015 Q4</th>
<th>2016 Q1</th>
<th>2016 Q2</th>
<th>2016 Q3</th>
<th>2016 Q4</th>
<th>2017 Q1</th>
<th>2017 Q2</th>
<th>2017 Q3</th>
<th>2017 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity 0.1:</strong> Regulator Implementation Plan</td>
<td>NYSERG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
</tr>
<tr>
<td><strong>Milestone:</strong> Regulatory Approval</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
</tr>
<tr>
<td><strong>Activity 0.2:</strong> Service Agreement and Contract with Partner</td>
<td>NYSERG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
<td>NYSEG</td>
</tr>
<tr>
<td><strong>Milestone:</strong> Contract Signed</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
<td>Tatem</td>
</tr>
</tbody>
</table>

**Phase 1: Planning & Community Engagement**

| Activity 1.1: Community Stakeholder: Engagement | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | Tatem | Tatem | Tatem | Tatem | Tatem | Tatem |
| Identify key community stakeholders (approx. 5 to 7 groups) | | | | | | | | | | |
| Hold informational meetings with key stakeholder groups | | | | | | | | | | |
| Hold follow up meetings to gather key stakeholders' input | | | | | | | | | | |
| Hold information gathering with various potential service providers | | | | | | | | | | |
| **Milestone:** Key lessons learned from community stakeholder engagement | | | | | | | | | | |

**Activity 1.2: Create Updated Project Scope**

| Activity 1.2: Create Updated Project Scope | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG | Tatem | Tatem | Tatem | Tatem | Tatem |
| Identify project scope based on stakeholder input | | | | | | | | | | |
| Communicate project scope to stakeholders (whenever needed) | | | | | | | | | | |
| Engage with potential service providers | | | | | | | | | | |
| Create updated project/service scope | | | | | | | | | | |

**Milestone:** Updated Scope Filed in Quarter 4 Report

<table>
<thead>
<tr>
<th>Phase 2: Project Planning and Market Solicitation</th>
</tr>
</thead>
</table>

**Activity 2.1: Service Provider Engagement**

| Activity 2.1: Service Provider Engagement | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | Tatem | Tatem | Tatem | Tatem | Tatem | Tatem |
| Source service provider RFPs | | | | | | | | | | |
| Benchmark two successful community-based programs to ID best practices | | | | | | | | | | |
| Identify and engage with potential residential solar service providers | | | | | | | | | | |
| Identify and engage with potential sponsors of Community Solar arrays | | | | | | | | | | |
| **Milestone:** Issue Service Provider RFP | | | | | | | | | | |
| Review proposals and develop terms | | | | | | | | | | |
| Provide offers to service providers for participation | | | | | | | | | | |
| Collaborate with selected service providers on program details | | | | | | | | | | |

**Milestone:** Contracts With Service Providers

**Activity 2.2: Platform Development**

| Activity 2.2: Platform Development | NYSERG / Simple | NYSERG / Simple | NYSERG / Simple | NYSERG / Simple | NYSERG / Simple | NYSERG / Simple | NYSERG / Simple | NYSERG / Simple | NYSERG / Simple | NYSERG / Simple |
| Define platform scope and specifications | | | | | | | | | | |
| **Milestone:** Begin Platform Development | | | | | | | | | | |
| Facilitate service provider requirements workshop | | | | | | | | | | |
| Build platform | | | | | | | | | | |
| Test platform | | | | | | | | | | |

**Milestone:** Platform Ready for Go-Live

**Activity 2.3 Refine Project Metrics**

| Activity 2.3 Refine Project Metrics | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem |
| Draft Business Models for each DER | | | | | | | | | | |
| **Milestone:** Update Business Models with revenue projections | | | | | | | | | | |

**Phase 3: Customer Solicitation**

| Activity 3.1: Marketing Plan Development | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem |
| Market research | | | | | | | | | | |
| Create Marketing Materials | | | | | | | | | | |
| Establish co-marketing with stakeholders | | | | | | | | | | |
| **Milestone:** Marketing Plan Completed | | | | | | | | | | |

**Activity 3.2: Active Marketing**

| Activity 3.2: Active Marketing | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem |
| Targeted marketing | | | | | | | | | | |
| Public awareness campaign through multiple channels | | | | | | | | | | |
| **Milestone:** Awareness and Response Targets Met | | | | | | | | | | |

**Phase 4: Market Analysis**

| Activity 4.1: Sales Completion | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem |
| - Work with LER service providers to optimize results | | | | | | | | | | |
| - Work with NYSERDA to share data | | | | | | | | | | |
| - Measure customer satisfaction | | | | | | | | | | |
| **Milestone:** Sales Target Met | | | | | | | | | | |

**Phase 5: Evaluation**

| Activity 5.1: Project Evaluation | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem | NYSERG / Tatem |
| Evaluation, measurement, and verification of results | | | | | | | | | | |
| **Milestone 1:** Revenue Targets Met | | | | | | | | | | |

**Milestone 2:** Stakeholder Satisfaction Targets Met | | | | | | | | | | |

9
3.3 Next Quarter Planned Activities

Activity in the second quarter of 2017 will focus on four areas.

1. Marketing plan execution
2. Analyzing customer response and website traffic
3. Online platform refinement
4. Analyzing initial service provider results

Marketing plan execution

- Issue email marketing messages to customers as scheduled
- Issue 20,000 postal mailings as scheduled
- Execute Facebook and Google advertising
- Execute local marketing

Analyzing customer response and website traffic

- Track and analyze the effectiveness of marketing messages based on corresponding website traffic
- Analyze the effectiveness of the online platform content and structure based on customer traffic patterns

Online platform refinement

- Make website refinements based on data analysis
- Analyze and consider improvements based on input from service providers and other stakeholders

Analyzing initial service provider results

- Assess and analyze service provider performance and conversion rates

4.0 Conclusion

The CEC project team is excited to have crossed the threshold between project development and project operation. The coming months will be an exciting time to assess customer response and service provider perceived value. As a demonstration project the team will maintain maximum flexibility and continue to iterate and make refinements in order to learn as much as possible.
Table of Contents

1.0 Executive Summary ........................................................................................................................................... 3

2.0 Demonstration Highlights since the Previous Quarter ................................................................................... 3

   2.1 Activity Overview ........................................................................................................................................ 3

      2.1.1 Activity: Email Marketing Campaigns ................................................................................................. 4

      2.1.2 Activity: Expanded Product Offerings .................................................................................................. 4

      2.1.3 Activity: Increased Thermostat Rebates ............................................................................................... 4

      2.1.4 Activity: Updated Product Buyer’s Guides ............................................................................................. 5

      2.2 Metrics and Checkpoints .......................................................................................................................... 5

3.0 Work Plan .......................................................................................................................................................... 8

   3.1 Budget Review ............................................................................................................................................... 8

   3.2 Updated Work Plan ..................................................................................................................................... 9

   3.3 Next Quarter Planned Activities .............................................................................................................. 10

4.0 Conclusion ....................................................................................................................................................... 10
1.0 Executive Summary

Rochester Gas and Electric Corporation ("RG&E" or "Company") submit this quarterly report on the progress of the RG&E Energy Marketplace demonstration project. The RG&E Energy Marketplace is an e-commerce site to test energy related online transactions, customer satisfaction, and the delivery of more comprehensive energy solutions for customers. The Energy Marketplace platform is further testing methods to customize, engage, and grow the market for energy related products and services by connecting with customers on a range of distributed energy resource (DER) offerings through targeted marketing and tailored content.

RG&E and its partner Simple Energy, a third party specializing in digital customer engagement, entered into planning and design activities of the Marketplace during Q2 2016 to include marketing strategy, branding, product offerings, incentive levels, and data sharing. We also named the Energy Marketplace, the RG&E Your Energy Savings Store ("YES Store").

The project team implemented a staged launch of the RG&E YES Store during Q3 2016 first targeting employees, followed by 10% of eligible customers, and a full launch to all RG&E residential and small commercial customers. Each phase of the launch was executed with email marketing campaigns designed to motivate customers to take action toward purchasing energy efficiency products.

During Q4 2016, the RG&E YES Store introduced a range of new product offerings and provided special incentives and limited time offers to heighten awareness of the store and create more value for customers.

In Q1 2017, the project continued to expand product offerings on the RG&E Yes Store, increased incentives on Wi-Fi enabled thermostats, developed new strategies for email marketing campaigns, and promoted innovation and connected home products. Co-marketing with the demand response program was developed so customers can learn about additional benefits from purchasing thermostats on the YES Store.

2.0 Demonstration Highlights since the Previous Quarter

2.1 Activity Overview

Activity and results during Q1 2017 include:

- Email marketing campaigns focused on customer engagement
- Increased LED lighting products and connected home products
- Increased thermostat incentive amounts
- Updated product Buyer’s Guides
- Continued collaboration with other programs - Demand Response (DR), Community Energy Coordination (CEC), Energy Smart Community (ESC)
2.1.1 Activity: Email Marketing Campaigns

Email marketing campaigns continue to be the primary method of generating interest and creating customer engagement on the RG&E YES Store. Based on best practices and 2016 learnings, Q1 of 2017 focused on email engagement.

At the outset, all customers received an email featuring the latest innovative technology to upgrade their homes in terms of safety, comfort and convenience. These featured products included newly added Wi-Fi lighting products, Wi-Fi enabled thermostats and connected home products.

From there, a specific customer’s journey depended on that customer’s engagement and purchase actions. Email campaigns were configured into a four-week “customer journey” in which the timing, content, and number of emails sent to a given customer was based on that customer’s engagement.

A mixture of sales focused emails, educational emails, and solicitation of post-purchase reviews were included in the journey. This series was designed to test our hypothesis that this engagement-based marketing approach will yield increased email engagement rates, conversion rates, and customer satisfaction. The initial testing however did not show significant differences in email campaign engagement and we will continue further testing.

2.1.2 Activity: Expanded Product Offerings

During Q1 2017, there was continued increase of new innovative products on the RG&E YES Store. In particular, Wi-Fi lighting was introduced, offering customers many different choices from basic white light to more sophisticated ambiances, all of which can be controlled from a smartphone. A Wi-Fi smart plug was also introduced, giving customers the ability to control various products directly from a smartphone or tablet.

2.1.2 Activity: Increased Thermostat Rebates

During Q1 incentive levels for Wi-Fi thermostats were adjusted from $15 to $25 to be consistent with incentive levels of Energy Efficiency programs. The higher incentive amount will better entice customers to make purchasing decisions given thermostats are the highest price point items on the store. Additionally, it will be more attractive when combined with seasonal manufacture promotions.
2.1.3 Activity: Updated Product Buyer’s Guides

During Q1, Simple Energy redesigned the product buyer’s guides to a more sleek and user friendly look. The updated guides focus on features specific to product type. For example, thermostat features include reducing energy consumption, ease of use, and safety, while lighting features include shape of bulb, size, color, brightness, etc. All of the buyer’s guides are designed to help better explain functionality and help customer’s decide which model might be right for them.

2.1.4 Activity: Collaboration and Integration with other Projects

The first co-marketing initiative with the Demand Response Bring Your Own Thermostat (BYOT) program was implemented during Q1. On each eligible thermostat product page of the YES Store, we added a ‘tag’ directly above the ‘add to cart’ button. The new tag is labeled ‘$85 BYOT E-Gift Card Available’ and provides a pop up box explaining how customers may be eligible for the gift card and a link directly to the BYOT program page. Future co-marketing will include email campaigns to customers who purchased a thermostat on the YES Store promoting the BYOT program. The email marketing campaigns are expected to be implemented during Q2.

In partnership with Simple Energy, in Q1 we also implemented the online portal, YES Home Solutions, to connect NYSEG customers in Tompkins County with local Distributed Energy Resource providers for residential, community shared solar and energy efficiency services. Details of YES Home Solutions activities are reported separately in the Community Energy Coordination (CEC) project quarterly report.

In the coming months, we will build on the YES Home Solutions platform to bundle both the service and product offerings in a single portal for NYSEG customers within the Energy Smart Community footprint of Tompkins County.

2.2 Metrics and Checkpoints

Since launch in early September 2016, the RG&E YES Store had 118,231 site visits (sessions) with 2,023 transactions, consisting of 3,628 products sold.

Marketing metrics are outlined in Table 1 below.
Table 1: Marketing Metrics

<table>
<thead>
<tr>
<th>Marketing Metrics</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>IA*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email Open Rates</td>
<td>23.09%</td>
<td>18.59%</td>
<td>22.67%</td>
<td>18.20%</td>
</tr>
<tr>
<td>Email Click Rates</td>
<td>2.36%</td>
<td>1.48%</td>
<td>1.33%</td>
<td>1.30%</td>
</tr>
<tr>
<td>Email Click to Open Rates</td>
<td>10.22%</td>
<td>7.95%</td>
<td>5.87%</td>
<td>7.00%</td>
</tr>
<tr>
<td>Conversion Rate</td>
<td>0.06%</td>
<td>0.05%</td>
<td>0.02%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Table 2: Transactional Metrics

<table>
<thead>
<tr>
<th>Sales / Transactions</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Transactions</td>
<td>294</td>
<td>1,459</td>
<td>270</td>
</tr>
<tr>
<td>Average Price per Transaction</td>
<td>$82.00</td>
<td>$86.65</td>
<td>$91.41</td>
</tr>
</tbody>
</table>

Table 3: Customer Satisfaction

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NPS</td>
<td>39</td>
<td>41</td>
<td>51</td>
<td>42</td>
<td>13</td>
<td>59</td>
<td>51</td>
</tr>
<tr>
<td># of responders</td>
<td>38</td>
<td>78</td>
<td>37</td>
<td>229</td>
<td>16</td>
<td>27</td>
<td>39</td>
</tr>
</tbody>
</table>

The checkpoints outlined in Table 4 below will be used to assess program results. Some checkpoints have been modified from the Implementation Plan filed on April 15, 2016 as the project team has redefined metrics to be more applicable to inform scalability and future projects.

Table 4: Checkpoints

<table>
<thead>
<tr>
<th>Check Point</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Marketing Engagement</td>
<td><strong>Measure:</strong> Marketing KPIs (Opens, Click-throughs, Conversions...)</td>
</tr>
<tr>
<td></td>
<td><strong>How and When:</strong> Monthly, using marketing analytic tools</td>
</tr>
<tr>
<td></td>
<td><strong>Expected Target:</strong> 25% Open rate for emails received, and 3% click-through</td>
</tr>
<tr>
<td></td>
<td>rate for emails received, 2.5% conversion rate for customers who visit</td>
</tr>
<tr>
<td></td>
<td>the site following each campaign. Results will be formally reported</td>
</tr>
<tr>
<td></td>
<td>quarterly representing monthly data.</td>
</tr>
<tr>
<td>Solution/Strategy if expectations are not met:</td>
<td>Evaluate marketing strategy, evaluate communication methods/channels and establish optional advertising levels.</td>
</tr>
</tbody>
</table>
Checkpoints that have been modified from the original Implementation Plan are the Sales / Transactions which were based on assumptions of higher thermostat rebates and the methodology for measuring Customer Satisfaction to obtain more direct feedback on the customer experience.

Additionally, the project team has determined the checkpoint for Incentivized Offers as described will vary based on product type and will not provide the most relevant data to support future learnings. This checkpoint will be updated to “Cost Effectiveness” and will be reported in the next quarterly report. Measuring cost effectiveness will better support the hypothesis that the marketplace is an effective channel to provide energy products.
3.0 Work Plan
# 3.2 Updated Work Plan

Table 4 outlines the work plan included in the Implementation Plan filed on April 15, 2016. The work plan has generally not changed and remains on track.

<table>
<thead>
<tr>
<th>Marketplace Project Plan</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>2017</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 0</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning Workshops and Artifacts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Design Workshop</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Marketing Workshop</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchandising Workshops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reporting Workshop</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Review of Artifacts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Integrative Site Build out and Configuration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deploy Marketplace Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add Site Content and Merchandise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Configure Customer Support Platform</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Configure Retargeting and SEO Advertisements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Configure Email Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Marketplace Data Integration Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrate Customer Data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Create Rebate Reconciliation Process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration Testing and Launch Prep</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Marketing Content Creation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email Copy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper Mailers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Press Releases/Earned Media</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bill Inserts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>User Acceptance Testing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Phase 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketplace Launch (1st wave of products)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketplace Marketing Plan Execution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-launch Press Release</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Execute marketing plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Phase 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add products and fixed fee services offerings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Evaluation / Scale to NYSEG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.3 Next Quarter Planned Activities

Strong customer engagement and maintaining a robust customer journey will continue to be the focus of the email marketing campaigns and innovative product offerings in Q2 2017. The RG&E YES Store email marketing campaigns will focus on Earth Day promotions, the start of the cooling season, water saving for the summer, sales promotions for Mother’s & Father’s day, and 4th of July, as well as general awareness campaigns. Additionally, other ways of generating awareness are being explored, including leveraging company sponsored events or direct mailers.

Other innovative outdoor products will be offered including additional LED lighting options, combo lighting/audio products and solarized speakers.

The RG&E YES Store will further co-market the BYOT program with new email campaigns promoting the program to customers who purchased a thermostat from the store.

Planning for the expansion of the YES Home Solutions portal into the ESC Marketplace to bundle products and services to customers within the Tompkins County community will also continue.

4.0 Conclusion

During the first quarter 2017, the RG&E YES Store continued to show positive customer engagement. More innovative product offerings were added on the store and positive feedback was received from customers on the types of products and their relevance in building a smart home. The testing of email campaign effectiveness based on customer behavior and previous engagement during Q1 showed inconclusive results. Testing of email marketing campaigns will continue in Q2 to determine effectiveness and to optimize the customer experience.
Flexible Interconnect Capacity Solution
# Table of Contents

1.0 Executive Summary .................................................................................................................. 3  
2.0 Demonstration Highlights since the Previous Quarter ................................................................. 4  
  2.1 Activity Overview ...................................................................................................................... 4  
    2.1.1 FICS DER #1 ..................................................................................................................... 4  
    2.1.2 FICS DER #2 ..................................................................................................................... 4  
    2.1.3 Screening for Additional Projects ....................................................................................... 5  
    2.1.4 Integrated Solution Proposal ............................................................................................. 6  
  2.2 Metrics and Checkpoints .......................................................................................................... 6  
  2.3 Issues ....................................................................................................................................... 9  
3.0 Work Plan .................................................................................................................................. 10  
  3.1 Budget Review .......................................................................................................................... 10  
  3.2 Updated Work Plan .................................................................................................................... 11  
  3.3 Next Quarter Planned Activities ............................................................................................... 11  
4.0 Conclusion .................................................................................................................................. 12
1.0 Executive Summary

New York State Electric and Gas ("NYSEG" or "the Company") submits this quarterly report on the progress of the Flexible Interconnect Capacity Solutions (FICS) demonstration project. The FICS demonstration project tests a new model for interconnecting Distributed Energy Resources (DERs) to the distribution grid using Active Network Management (ANM) rather than firm capacity. ANM technology allows the utility to manage DER within grid constraints (e.g., voltage, overloads, etc.) using real-time sensing and controls, avoiding more expensive upgrades. This model provides the potential to save on interconnection costs with minimal curtailment on DER, aiding economic viability. In addition, ANM provides the potential for greater penetration of DER.

Two proposed DERs in the NYSEG service territory have been targeted as the demonstration sites for the initial FICS scope. Using ANM, a portion of the interconnection costs for each DER will be deferred by managing network constraints identified in NYSEG’s interconnection analysis. The DERs include a 2 MW solar photovoltaic (PV) farm and a 450 kW farm waste generator.

During Q1 2017, a screening for additional candidate FICS projects was completed using the latest interconnection queue. In addition, a change order deliverable is to document a recommended process for incorporating FICS into NYSEG’s business-as-usual interconnection process flows. This includes developing a business model for recovering the incremental maintenance costs for ANM.

During Q4 2016, NYSEG / AVANGRID, Smarter Grid Solutions (SGS), Eaton, and Clean Power Research (CPR) developed a joint NYSERDA PON 3977 proposal for an integrated DER interconnection solution proposal. This project is intended to streamline the interconnection application, planning analyses, and ANM alternatives analyses by integrating the associated tool kits. Award notices will be issued in Q2 2017.

Plans for Q2 2017 include:

- Install and configure servers, panels, and firewall for DER #1 at AVANGRID control center
- Interconnection agreement for DER #2
- Further evaluation of additional FICS candidate projects
- Begin execution on NYSERDA PON 3397 project with CYME, Smarter Grid Solutions (SGS), and Clean Power Research

The following report provides a progress update on the tasks, milestones, checkpoints, and lessons learned to date.
2.0 Demonstration Highlights since the Previous Quarter

2.1 Activity Overview

Activity and results during Q1 2017 included:

- Receipt of all central control equipment to perform SAT for DER #1
- Preparation of work orders and purchase orders for DER #1
- Resumption of discussions with DER #2 developer
- Update of analysis and cost estimate for DER #2
- Completion of queue screening and analysis for additional FICS candidate projects.

2.1.1 FICS DER #1

On June 28, this 2 MW PV developer executed a FICS agreement with AVANGRID. On July 21, NYSEG was informed that the 2 MW PV farm project was on hold until March 2017 pending a grasslands bird study. As the agreement has been executed for this project, NYSEG has continued to progress the project factory acceptance test (FAT) and a modified site acceptance test (SAT) in preparation for resumed field activities. The project is scheduled to break ground in late summer and reach commercial operation in March 2018.

Progress during Q1 2017 on DER #1 includes:

- Shipment of remaining, power supplies, firewalls, and jump server for DER #1 integration at NYSEG;
- Update of DER #1 test procedures for SAT.

Plans for Q2 2017 on DER #1 include:

- Install & configure all equipment in the energy control center;
- Complete SAT and commissioning of energy control center equipment; and
- Progress engineering design for substation and line installations.

2.1.2 FICS DER #2

On June 29, AVANGRID issued a proposed FICS agreement for a 450 kW farm waste generator. AVANGRID offered three options to interconnect the generator:

1. Do not participate in FICS and upgrade the Aurora substation transformer bank;
2. Participate in FICS, with the generator managed by ANM to address the thermal capacity constraint at the Aurora substation transformer bank. Install new distribution line regulation to prevent high-voltage conditions; or
3. Participate in FICS, with the generator managed by ANM to address the thermal and voltage constraints.
On September 12, the developer for DER #2 stated that the go-forward decision on this project was on hold pending the interpretation of the $5k maximum interconnection fee for farm waste generators as described on Page 49 of the “New York State Standardized Interconnection Requirements and Application Process For New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems”. As the customer had not executed the agreement on this project, NYSEG deferred construction, configuration, and testing the ANM platform for this project pending execution of the FICS agreement.

On November 29, AVANGRID received word from the DER #2 developer that this project would proceed with a planned start of construction in Spring 2017 and operation commencing in Fall 2017.

On January 24, the developer for DER #2 resumed interconnection discussions with NYSEG. Subsequently, NYSEG has been updating the analysis and cost estimate to address the changes in the interconnection queue and projects subsequently placed in service. An updated analysis and interconnection cost estimate will be shared with the developer in Q2 2017.

2.1.3 Screening for Additional Projects

On October 26, NYSEG executed a change order with Smarter Grid Solutions (SGS) to provide expertise in screening and planning of DER projects for flexible interconnection. Priorities during this activity include:

- Evaluate and prioritize additional potential FICS DER projects;
- Develop a strategy for a long-term FICS process;
- Create a strategy for long-term FICS process automation;
- Document and disseminate flexible interconnection screening techniques and strategies to help with the DER interconnection demand, including presentations and workshops as necessary; and
- Utilize findings for a possible NYSERDA funding proposal.

In January, screening and analysis for additional FICS candidate projects was completed from an updated interconnection queue. A number of potential projects were discussed with developers and two projects were identified for further evaluation.

- DER#3: A 1.7 MW PV installation in Peruville was identified and the developer was interested in a flexible interconnection option. The ANM analysis and cost estimate were nearing completion when the developer notified us that the landowner had died without providing land rights. Since the project is deferred indefinitely, development of the FICS project has stopped.

- DER #4: a 2 MW PV installation in Richfield was also identified and the developer showed interest in a flexible interconnection option. As this installation is flicker limited, it is a new use case requiring a faster control response. Further analysis and testing will be required to prove the solution will provide the requisite power quality. Once proved, this solution has the potential to allow even further penetration of DER on the power grid.
2.1.4 Integrated Solution Proposal

NYSEG/AVANGRID is participating in a NYSERDA PON3397 proposal to integrate interconnection functionality between Smarter Grid Solutions, Clean Power Research, and CYME. If the proposal is selected we will embark on a proof-of-concept project to integrate SGS (FICS), CYME (Distribution Analysis), and PowerClerk (Interconnection Administration) to facilitate the interconnection process.

At the conclusion of this project, we hope to integrate interconnection planning and analysis with FICS as a business-as-usual process.

2.2 Metrics and Checkpoints

<table>
<thead>
<tr>
<th>Check Point</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection of the FICS Option</td>
<td>Measure: The number and percentage of FICS-qualified projects that elect the FICS option expressed as both the number of projects and MWs. When: Execution of interconnection contracts with participating developers is targeted for Q2 2016, therefore progress updates will be provided in the Q4 2015 and Q1 2016 reports. How: FICS qualification is based on preliminary screening of DER interconnection applications, where ANM can enable incremental DER generation capacity that would otherwise require network reinforcement to accommodate the full proposed capacity. Expected Target: At least two DER developers in the NYSEG and/or RG&amp;E territory will elect the FICS option during the demonstration term. Strategy if Results are Below Expectation: If less than two developers provide a show of interest in the FICS option during initial outreach to be conducted in Q4 2015, AVANGRID will review options for next steps in site selection with Staff. Results: One FICS DER #1 has elected the FICS option and FICS DER #2 plans to pursue the option. Additional projects are being screened.</td>
</tr>
<tr>
<td>Interconnection Cost</td>
<td>Measure: The total utility infrastructure cost per MW interconnected and the avoided cost of network reinforcement that would otherwise be required. The original project metric proposed included Interconnection Timeframe, but comparing the interconnection period during the demonstration term to that of a firm interconnection may be misleading since the timeline to deliver the ANM system does not accurately represent the timing of deploying ANM at additional DERs following the demonstration term. When: ANM system go live is targeted for Q4 2016, therefore a review of the final interconnection cost for participating sites will be included in the Q4 2016 report. How: The total cost per MW interconnected will be available following completion of the interconnection. The avoided cost of network reinforcement will be determined in the CESIR process based on an estimate developed by AVANGRID. Expected Target: ANM projects in the U.K. have reduced interconnection</td>
</tr>
<tr>
<td>Check Point</td>
<td>Description</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| **Total FICS Utility Revenue** | Measure: Utility revenues from platform-as-a-service fees in the aggregate and on a per-MW basis for participating projects.  
When: Execution of FICS-based interconnection contracts with participating developers is targeted for Q2 2016, therefore progress updates will be provided in the Q4 2015 and Q1 2016 reports.  
How: Platform-as-a-service fee included in interconnection contracts |
| **Additional MW Exported and Share of Generation Curtailed** | Measure: The additional generation exported by participating DER installations (versus projected generation of the baseline firm interconnection capacity offered) and the share of generation curtailed expressed as a comparison between actual curtailment and forecasted curtailment.  
Timeline: ANM system go live is targeted for Q4 2016, therefore generation and operational curtailment levels will be included in the Q4 2016 report.  
How: Additional DER generation exported will be measured starting during operations in Q4 2016 and compared to participating developers’ generation projections. The share of generation curtailed due to constraint management will be measured during operations in Q4 2016 and compared to Smarter Grid Solutions’ forecasted curtailment (as an annualized percentage). Curtailment due to communications failures and network outages will be highlighted and differentiated from curtailment due to constraint management.  
Expected Target: Additional DER generation exported will vary by project and site. The average DER project curtailment has been approximately five percent annually in the U.K.  
Strategy if Results are Below Expectation: If actual curtailment in Q4 2016 exceeds the forecasted level on an annualized basis, AVANGRID and Smarter Grid Solutions will reexamine modeling results to refine the curtailment forecast.  
Results: FICS DER #1 is a 2 MW rated photovoltaic generator. FICS DER #2 is a 450 kW farm waste generator. These sites are not yet operational. |
| costs by up to 90 percent. Interconnection costs for current and historical DER projects governed by the New York Standardized Interconnection Requirements vary by location depending on a number of factors, including size of the project, existing network topology, and required network reinforcement. Therefore, it is challenging to project expected cost avoided through FICS at this time. AVANGRID will propose reasonable comparative assumptions for Staff review.  
Strategy if Results are Below Expectation: Developers will likely not participate in FICS unless there is a cost savings in completing their interconnection. IUSA Networks will identify scenarios/opportunities where FICS could provide a more economical solution.  
Results: FICS DER #1 results in an estimated deferral of 57% of the interconnection costs. FICS DER #2 results in an estimated 98% reduction in interconnection costs compared to an interconnection for firm capacity. |
<table>
<thead>
<tr>
<th>Check Point</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>executed with participating developers, which may be based on a shared risk structure. Expected Target: The area of commercials development for the platform-as-a-service business model is a primary focus for testing. AVANGRID is aiming to obtain robust lessons learned on effective development of revenue opportunities from FICS. In the July 1 FICS proposal filing, AVANGRID examined various fee options that would cover the revenue requirements of adopting FICS capabilities, with analysis indicating that a annual fee charged to each DER would cover the revenue requirements of ANM at scale with DERs contracted. Strategy if Results are Below Expectation: Capture robust lessons learned on developing revenue opportunities from FICS should be the primary indicator of successful testing for the project. IUSA Networks will identify barriers preventing revenue generation and assess potential alternative revenue models. Results: The FICS DER #1 contract did not include platform service fees, but used a cost deferral calculation instead. The draft FICS DER #2 agreement options include a platform fee of $23,000 or $12,000, depending upon the option chosen.</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>Measure: Key drivers and obstacles of FICS adoption among targeted DER developers. Timeline: Execution of FICS-based interconnection contracts with participating developers is targeted for Q2 2016, therefore surveying results of targeted developers that decided not to go forward with FICS will be presented in the Q2 2016 report and surveying results of participating projects will be presented in the Q4 2016 report. How: Post-interconnection survey of all targeted developers, including those that decided not to go forward. Expected Target: AVANGRID is aiming to obtain robust lessons learned from non-participating developers to inform future FICS site selection and outreach efforts and to gather lessons learned from participating developers to inform how ongoing ANM operations can meet developers’ needs. Strategy if Results are Below Expectation: AVANGRID will evaluate how to improve engagement efforts to increase future participation in FICS and meet participating developers’ needs. Results: Section 4.0 of this report discusses observations from discussions with targeted developers.</td>
</tr>
<tr>
<td>External Engagement</td>
<td>Measure: Lessons learned and opportunities for scaling FICS based on feedback from external, non-developer stakeholders with a role in DER development and interconnection in New York. Timeline: AVANGRID will provide updates in each quarterly report on engagement outcomes with the Joint Utilities, NYSERDA, etc.</td>
</tr>
<tr>
<td>Check Point</td>
<td>Description</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td></td>
<td>How: Description of stakeholder engagement lessons learned.</td>
</tr>
<tr>
<td></td>
<td>Expected Target: AVANGRID will engage NYSERDA with the aim to gauge the statewide baseline interconnection record for funded DERs, to effectively develop the platform-as-a-service business model, and identify opportunities for other ANM applications to increase DER interconnections in New York. AVANGRID will engage the Joint Utilities to review current interconnection challenges and alternative interconnection solutions being developed in New York.</td>
</tr>
<tr>
<td></td>
<td>Strategy if Results are Below Expectation: AVANGRID will utilize NYSEG and RG&amp;E interconnection records as its base data set for reviewing and comparing interconnection outcomes and challenges.</td>
</tr>
<tr>
<td></td>
<td>Results: We continue to gain insights from the FOICS demonstration project and we are investigating tools and options to facilitate FICS as a business-as-usual process. We are evaluating Clean Power Research’s PowerClerk tool for interconnection administration and we are a partner to a NYSERDA PON proposal to integrate FICS, PowerClerk, and CYME.</td>
</tr>
</tbody>
</table>

### 2.3 Issues

Changes in the queue require re-doing the FICS analysis and cost estimates.

Flicker management is a new use case for FICS and requires additional analysis and testing to prove its effectiveness.
3.0 Work Plan

3.1 Budget Review
### 3.2 Updated Work Plan

#### Table 2: Work Plan

<table>
<thead>
<tr>
<th>Activity</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Acceptance Test (Site 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction (Site 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation (Site 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agreement Execution (Site 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance Tests (Site 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction (Site 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation (Site 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.3 Next Quarter Planned Activities

In Q2 2017, the project team aims to complete the following tasks:

- Install and configure DER #1 servers, panels, and firewalls at NYSEG
- Commission DER #1 system at NYSEG
- Perform DER #1 Site Acceptance Tests (SAT) and integration testing with NYSEG meters and controllers. Field devices will be commissioned later when the site is ready.
- Progress on DER #1 substation, line, and point of connection designs.
- Execute FICS agreement for DER #2
- Screen additional interconnection requests for applicability of ANM
- Start implementation of integrated interconnections solution if NYSERDA proposal is accepted

---

1 Assumes agreement execution 2Q2017
2 Assumes agreement execution 2Q2017
3 Assumes agreement execution 2Q2017
4.0 Conclusion

Addressing flicker limitations with FICS will require additional analysis and testing, but it has the potential to increase DER capacity even further.

Changes in interconnection queues require revised analyses and cost estimates.

Lessons learned from the NYSERDA PON 3397 proposal have the potential to greatly increase the efficiency of processing and analyzing DER interconnection requests, including ANM analysis.