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REV Demonstration Project:  
Connected Homes Platform

2019 Q3 Quarterly Progress Report

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**Dated: October 31, 2019**

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## 1.0 EXECUTIVE SUMMARY

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Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) submits this quarterly report on the progress of the Connected Homes Platform REV Demonstration Project (“Project”) it is implementing as part of the Reforming the Energy Vision (“REV”) proceeding, as required by the *Order Adopting Regulatory Policy Framework and Implementation Plan*, issued by the New York State Public Service Commission (“Commission”) on February 26, 2015.<sup>1</sup>

### 1.1 PROGRAM ACHIEVEMENTS

On July 1, 2015, Con Edison submitted the Project for approval by Department of Public Service Staff (“DPS Staff”). On January 8, 2016, DPS Staff approved the Project. Con Edison filed an implementation plan for the Project with the Commission on January 29, 2016. The Project launched in Q2 2016 to approximately 275,000 customers in Con Edison’s Brooklyn and Westchester territories. Customers have access to detailed energy insights online and have received targeted offers in their Home Energy Reports and High Usage Alerts for solar panels, Wi-Fi thermostats, Sealed home services, and the Con Edison Marketplace, as eligible.

In early 2017, the Project successfully upgraded to the second version of the Con Edison Marketplace (Marketplace 2.0), the second version of the printed Home Energy Reports (HER 2.0) and launched the second round of targeted offerings for Sealed home services, Wi-Fi thermostats, and Marketplace.

In Q2 2017, the Project team developed new modules for the SunPower and Sealed campaigns creatives, expanded marketing efforts and added two new revenue streams on the Marketplace: third-party advertising and cost-per-click referrals.

In Q3 2017, the Project team conducted successful marketing and sweepstakes campaigns resulting in significant sales of energy efficient items and revenue generation. The team also launched a new solar experience within the Marketplace designed to increase customer engagement and create a new lead generation revenue stream. Negotiations with a new distributed energy resource (“DER”) partner, Mitsubishi Electric, were also finalized in the quarter, resulting in a new targeted campaign for heat pumps.

In Q4 2017, the Project team wrapped up the 2017 targeted offer campaigns for Sealed home services, smart thermostats, Marketplace products and Mitsubishi electric heat pumps. In addition, the team’s optimization of Marketplace digital engagement campaigns resulted in a 25 percent increase in energy efficient product sales (lighting and thermostats), combined with a 9 percent increase in revenue. These transactions also resulted in a greater than 50 percent increase in lifetime electricity saved quarter-

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<sup>1</sup>Case 14-M-0101, *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision*, Order Adopting Regulatory Policy Framework and Implementation Plan (issued February 26, 2015).

over-quarter. The team also successfully began testing email campaigns to promote the new solar program, resulting in 15 contracts executed.

In Q1 2018, the Project team expanded and optimized email and digital engagement marketing programs for lighting, thermostats, and the solar program. Despite being a normally quiet quarter for e-commerce activity, these efforts led to revenues in Q1 2018 that were comparable to the very successful Q4 2017, and a 10x year-over-year increase for the quarter. The first solar program installations were also completed in Q1 2018, and the team executed its first sponsored email campaigns, establishing a new source of revenue.

In Q2 2018, Con Edison filed an amendment to the Connected Homes REV demonstration project implementation plan on May 14, 2018. The main revisions to the plan include: promote Home Energy Reports to a full program within the Energy Efficiency Program portfolio; expand the Marketplace capabilities and extend the project timeframe through December 2019; and test two customer-centered concepts that will further customer engagement with the Con Edison Marketplace. The Marketplace team also implemented an expansion of the Solar experience to include Community Solar, providing renters and multi-family homes with options to participate.

In Q3 2018, the Project team sent the first wave of email promotions for Community Solar and ran a large LED lighting promotion. Lead generation activities for Sealed and rooftop solar have been a continued focus. The team also launched a landing page for the Brooklyn Queens Demand Response (BQDM) program to drive adoption and registration of smart thermostats. In addition, the team began the test trials for the two customer-centered concepts, Connected Homes App and Bright Futures, that will further customer engagement with the Con Edison Marketplace.

In Q4 2018, the project team launched the Checkout application to customers, replacing the e-commerce Storefront on the Con Edison Marketplace. By partnering with online retailer lightbulbs.com, Checkout enables a better customer experience and helps to solidify Con Edison's role as a trusted advisor and market animator. The project team also launched Contractor on the Con Edison Marketplace in December 2018, to facilitate connections between interested customers and vetted installation contractors. In addition, the team finalized the test trials for the two customer-centered concepts: Connected Homes App and Bright Futures. Project description and results were included as an appendix in the Q4 2018 report.

In Q1 2019, the project team ran a successful LED lighting promotion on Checkout for President's Day Weekend. The team also launched smart power strips as a new rebated category on Checkout. The team continued to expand media campaigns for thermostats and lighting to reach new audiences and minimize email list fatigue, as well as to optimize paid search and display campaigns. Following the launch of Contractor at the end of Q4 2018, Con Edison and the team collaborated on a press release to

promote customer awareness of the Marketplace and the opportunity for customers to match with pre-screened local contractors for appliance installation.<sup>2</sup>

In Q2 2019, the project team launched a new approach for customer satisfaction surveying. The team also ran a smart thermostat promotion on Checkout for Earth Day. Following the Earth Day sale, the team updated the email template to more closely align with e-commerce best practices and leveraged this new template for the Father's Day promotion on Checkout.

In Q3 2019, the team ran several e-commerce promotions, including a thermostat sale around Independence Day and a lighting sale during the month of August.

## **1.2 CYBERSECURITY AND PERSONALLY-IDENTIFIABLE INFORMATION PROTECTION**

Consistent with Commission policy related to cybersecurity and the protection of personally-identifiable information ("PII"), each partner agreement executed for the implementation of the Project includes specific protections related to cybersecurity and PII. This protection is critical in encouraging customers to sign up with new and innovative services offered by utilities.

## **1.3 ACCOUNTING PROCEDURE ESTABLISHED**

On February 16, 2016, in Case 15-E-0229, Con Edison filed an accounting procedure for the accounting and recovery of all REV demonstration project costs.<sup>3</sup> This accounting procedure establishes a standardized framework that governs how the Company categorizes and allocates the costs of the REV demonstration projects and facilitates analyzing each project to determine the overall financial benefits of the program to customers.

## **1.4 COSTS, BENEFITS, AND OPERATIONAL SAVINGS**

Budget information for all of the Company's REV demonstration projects is being filed confidentially with the Commission, concurrently with the filing of this document. All costs filed are incremental costs needed to implement the projects. To date, no tax credits or grants have been available to reduce the net costs of the projects, but Con Edison will take advantage of such offsetting benefits when they are available.

The program costs have been as planned and the program has driven increases in non-revenue generating benefits, exceeding targets for customer engagement and energy savings. Progress in Q4 2018 has continued to facilitate revenue generation from

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<sup>2</sup> <https://www.coned.com/en/about-con-edison/media/news/20190313/con-edison-and-homeadvisor-play-matchmaker-for-consumers-and-energy-efficiency-contractors>

<sup>3</sup> Case 15-E-0299, *Petition of Consolidated Edison Company of New York, Inc. for Implementation of Projects and Programs that Support Reforming the Energy Vision*, General Accounting Procedure.

sponsorship, advertising and increased revenue contribution of Marketplace e-commerce sales.

## **1.5 CONNECTED HOMES PLATFORM**

The Project seeks to provide residential customers of Con Edison's service territory a set of tools designed to proactively connect the customers with cost-effective energy efficiency products and services and distributed generation offerings that will be most relevant to them. The Project is designed to remove barriers to residential adoption of DERs and animate the DER market by using customer usage data and advanced data analytics to match customer needs with vetted DER products. Con Edison's partner in the Project, Enervee, is administering marketing campaigns promoting a set of products and services to participating customers to demonstrate and evaluate the proof of concept.

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## **2.0 CONNECTED HOMES – QUARTERLY PROGRESS**

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### **2.1 DEMONSTRATION HIGHLIGHTS**

#### **2.1.1 Since Previous Quarter – Major Tasks Completion**

- The Project team offered customers an Earth Day lighting promotion and continued ongoing email campaigns, which resulted in the sale of 4,257 lighting units in Q3.
- The Project team offered customers a Father's Day smart thermostat promotion and continued ongoing campaigns, which resulted in the sale of 1,459 thermostat units in Q3.

### **2.2 ACTIVITIES OVERVIEW**

Conducted successful promotions for smart thermostats, including launching a new lower-cost product line from Emerson, with products in the \$50 range after rebates. The lower-cost Emerson pricing enables the Project team to reach new markets.

Ran our most successful lighting sale for Marketplace to date, achieving sales over 90,000 units during August.

Continued to drive adoption of home upgrades with sponsored emails from Con Edison's partner, Sealed.

## Marketplace Marketing Initiatives

### Solar Email Campaigns

The Project team continued to promote both the rooftop and community solar programs in Q3 2019. Since deployment, the community solar program has collected 1,801 leads and 180 completed contracts. In addition to reductions in energy savings and greenhouse gas emissions reductions, these solar campaigns also provide lead generation revenue for the Project. The Project team will continue with solar promotions through the end of 2019.

The Project team also continued promoting rooftop solar accessibility, driving a total of 2,876 leads and 248 sold solar projects to date.

Are you getting the most out of your home?



**Get the Most out of Your Home.**

Maximize your home's potential with a custom designed solar system.

[Calculate Savings](#)

**Get the Ultimate Home Upgrade: Solar Power**

You've made your home your own. Maybe you've chosen the perfect decor, or upgraded your appliances and insulation to save you money and energy—But does your home power itself while saving you money?

Our solar experts are here to help you get the most out of your home:

- We'll design a custom solar system to meet your home's energy needs
- And maximize your savings throughout the project



So stop missing out on the home of your dreams and see how much you could be saving with our easy online calculator!

[Calculate Savings](#)

### Independence Day Promotion

During the Independence Day holiday, the Project team marketed smart thermostat manufacturer sales promotions. The promotion resulted in the sale of 501 smart thermostat units.

For a limited time, save \$110 on a Smart Thermostat!



**Get a Google Nest Learning thermostat + Google Home Mini for just \$139!**

Plus, get an extra \$85 back when you enroll in Smart Usage Rewards. That's a \$298 value for \$54!

[Buy Now](#)

 Google Nest Learning Thermostat Steel incl. Google Home Mini <del>\$298</del> <b>\$139</b> <a href="#">Buy Now</a>	 Google Nest Learning Thermostat White incl. Google Home Mini <del>\$298</del> <b>\$139</b> <a href="#">Buy Now</a>	 Google Nest Learning Thermostat Black incl. Google Home Mini <del>\$298</del> <b>\$139</b> <a href="#">Buy Now</a>
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**Get an Extra \$85 Back**

Enroll your smart thermostat in Smart Usage Rewards and receive an **additional \$85 back**—that means a final price of \$54!

[Buy Now](#)

Already have a smart thermostat? [Apply](#) for a \$50 rebate!

**Don't Miss Out!**

Save energy while staying cool, connected and safe. Take advantage of these deals or get an energy-efficient LED light bulb for just \$1!



[Get \\$1 LED](#)

## August Lighting Promotion

In August 2019, the Project team ran its most successful lighting promotion to date in terms of units sold. This promotion resulted in the sale of 90,101 lighting units, saving an estimated 3,700 MWh annually.

Start saving energy with LEDs for just \$1 each.



**Get LED lights For Just \$0.99 each**

Brighten up your home and save energy for less than a \$1 — only for Con Edison customers.

[Buy Now](#)

**Hi,**

Save up to 80% on energy-saving LED light bulbs for a limited time. This offer is only for Con Edison customers and while supplies last—so don't wait!

**Why LEDs?**

- They use 75% less energy
- They can last over 12 years
- They give off excellent light

 <p><b>TCP A19</b> 60W Equivalent LED</p> <p>\$5.99 <b>\$0.99</b> per bulb</p> <p><a href="#">Buy 12-pack</a> → <a href="#">Learn More</a> →</p>	 <p><b>Halco LED Candelabra</b> 60W Equivalent LED</p> <p>\$5.99 <b>\$1.49</b> per bulb</p> <p><a href="#">Buy 10-pack</a> → <a href="#">Learn More</a> →</p>	 <p><b>TCP BR30</b> 65W Equivalent LED</p> <p>\$6.99 <b>\$1.99</b> per bulb</p> <p><a href="#">Buy 12-pack</a> → <a href="#">Learn More</a> →</p>
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**Save \$50 + Get a FREE Google Home Mini!**

Save \$50 now on the Google Nest Learning Thermostat plus get a FREE Google Home Mini!



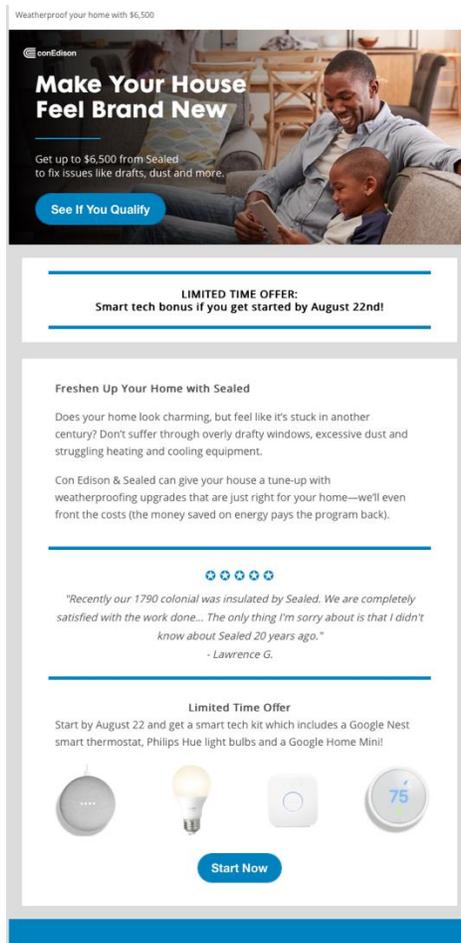
[Get Yours Now](#)

Limits 25 bulbs with Con Edison rebate per customer per year. Other limits apply. See site for details. Offer good while supplies last.  
\*Source: EnergyStar.gov

New template for lighting featuring product tiles in email

Sealed Email Promotion:

In Q3 2019, there were 3 different promotional campaigns that successfully drove 972 leads for our partner Sealed.



Sealed Email June

### 2.2.1 Key Metrics

For detailed program results to date, see Appendix A: List of Metrics and Results.

#### *Con Edison Marketplace E-Commerce Sales:*

In Q3 2019, the team recorded 95,503 e-commerce orders consisting of 93,693 light bulbs, 1,262 thermostats and 5 power strips.

#### *Digital Customer Engagement:*

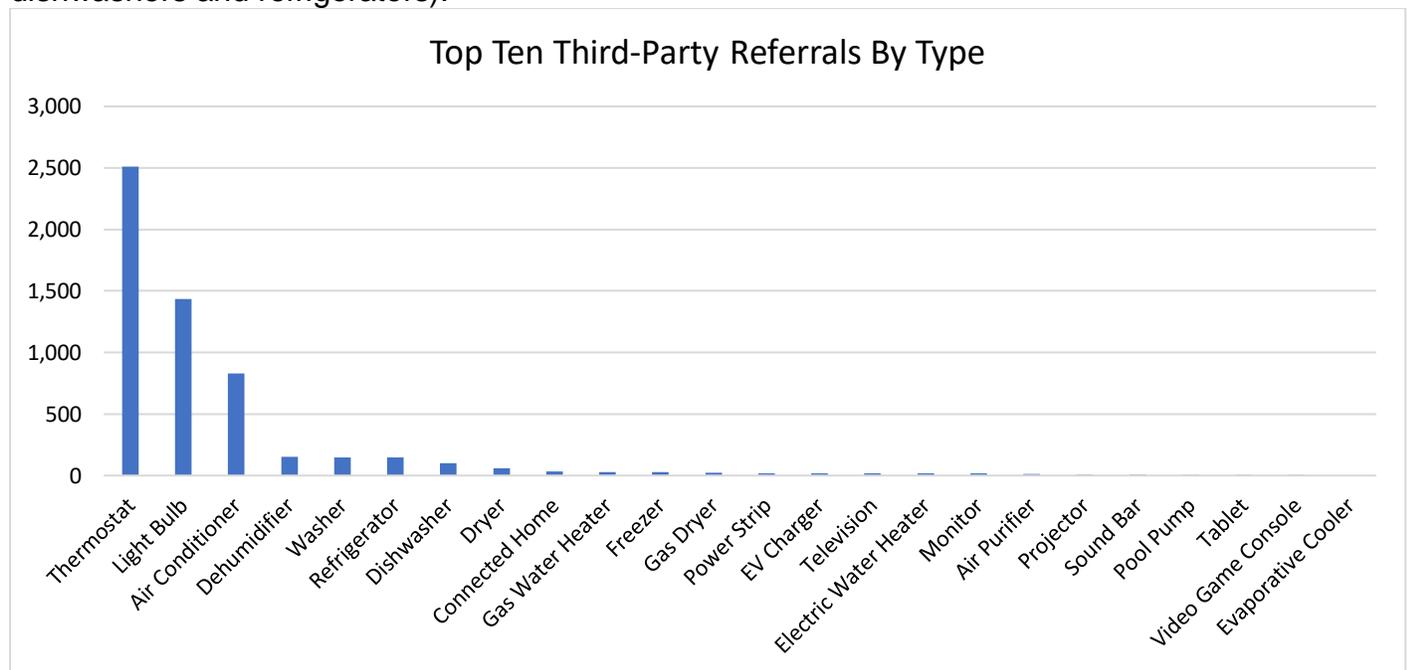
In Q3 2019, Con Edison’s Marketplace attracted 125,383 unique visitors and 257,386 sessions, resulting in 427,970 corresponding page views.

The Con Edison Marketplace was also effective at raising awareness of other Con Edison programs and tracking actions taken by visitors. Since its inception in 2016 through the end of Q2 2019, a total of 19,903 Con Edison Marketplace visitors have clicked through on Con Edison’s large appliance rebate offers, and a total of approximately 37,361 smart thermostat shoppers on Con Edison’s Marketplace sought

out information on the Smart Thermostat program. The Smart Thermostat program is a Con Edison demand response program, which offers participants an additional rebate and allows Con Edison to make brief adjustments to thermostat settings during high demand periods.

*DER Market Activation:*

During Q3 2019, Con Edison Marketplace customers were directed to third-party appliance retail websites approximately 5,628 times. The most popular Con Edison Marketplace categories researched were thermostats and light bulbs. Some products, such as LED lighting and smart thermostats, peak around special promotions (such as the Independence Day sale), and air conditioners also tend to be more popular in the summer, whereas other products do not seem to show seasonal popularity trends (such as dishwashers and refrigerators).



*Energy Savings:*

Estimated energy savings associated with the Con Edison Marketplace e-commerce sales in Q3 2019 were 77,451 MWh and 498,267 Therms on a lifetime energy savings basis.

*Greenhouse Gas Emissions Reductions:*

The lifetime energy savings associated with Con Edison Marketplace e-commerce sales in Q3 2019 are estimated to reduce 88,041,290 pounds of carbon dioxide, 1,703.9 pounds of methane and 154.9 pounds of nitrous oxide emissions. Cumulatively,

Marketplace e-commerce sales are expected to reduce greenhouse gas emissions by 313,691,404 CO2e over the lifetime energy savings of the products.

### 2.2.2 Next Quarter Forecast

In Q4 2019, the Project team plans to continue focusing its efforts on channels that maximize energy savings while generating revenue.

Planned Q4 2019 activities for Con Edison Marketplace include:

- Two additional LED lighting sales are currently scheduled with the cross promotion of smart thermostats and power strips.
- Execute campaigns for Black Friday and the Holidays with focus on maximizing thermostat units sold.
- Continue customer satisfaction email surveying.
- Explore sales of EV Chargers on Con Edison Marketplace e-commerce, to facilitate the purchase process for customers.

### 2.2.3 Checkpoints/Milestone Progress

The Checkpoints established for Phase 2 of the Project Extension in the *REV Demonstration Project Amendment to Implementation Plan – Connected Homes Platform* (May 14, 2018) supersede the prior checkpoints and are listed in the following table. The Project Extension period runs from 1 August 2018 through 31 December 2019, and the Midpoint has been set at March 31, 2019.

Checkpoint/Milestone	Timing*	Status
DER Sales: <i>Market Animation and Customer Choice</i>	Phase 2 Project Extension Midpoint / End	
Messaging Effectiveness: <i>Customer Motivation</i>	Phase 2 Project Extension Midpoint / End	
Digital Engagement: <i>Integrated Online Experience</i>	450,000 visits per 6-month period	
Revenue Realization	Phase 2 Project Extension Midpoint / End	
Customer-Centered Initiatives	Q4 2018	

Checkpoint/Milestone	Timing*	Status
Demand Side Management	Phase 2 Project Extension Midpoint / End	

\*Detailed descriptions of the Phases can be found in Appendix B: Description of Phases.

**Legend**

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

**2.2.4.1 *DER Sales – Market Animation and Customer Choice***

**Status:** Green

**Expected target by Phase 2 of Project Extension End:** 85,100 cumulative units sold

**As of Q3 2019:** DER sales were as expected in Q3 2019.

**2.2.4.2 *Messaging Effectiveness – Customer Motivation***

**Status:** Green

**Expected targets for Phase 2 of Project Extension End:** Open rates reach 15 percent and click-through rates reach 3 percent

**As of Q3 2019:** Open rate achieved the End target after the first two months. Click-through rate achieved the Midpoint goal.

**2.2.4.3 *Digital Engagement – Integrated Online Experience***

**Status:** Green

**Expected Target for Phase 2 of Project Extension End<sup>4</sup>:** 1,275,000 cumulative visits

**As of Q3 2019:** Digital engagement is tracking above expectations, with cumulative visits exceeding the Midpoint goal.

<sup>4</sup> The target was formulated as 450,000 visits per 6-month period, which translates into 1,275,000 visits during the 17-month Phase 2 period of the Project Extension.

#### **2.2.4.4 Revenue Realization**

**Status:** Yellow

**Expected Target by Phase 2 of Project Extension End:** \$650,000

**As of Q3 2019:** Revenue realization is *below* expectations.

Total revenues for Q3 2019 (Phase 2 of Project Extension) were not on track to achieve the revised revenue goal, which was more ambitious than the prior goal.

#### **2.2.4.5 Customer-Centered Initiatives**

**Status:** Blue

**Expected Target by Q4 2018:** Connected Homes App - 100 participants; Bright Futures – 10 businesses and 100 participants

**As of Q4 2018:** The Connected Homes App and Bright Future projects are completed.

#### **2.2.4.6 Demand Side Management**

**Status:** Green

**Expected Target by Phase 2 of Project Extension End:** 74,700 MWh of cumulative lifetime savings from products sold on the Marketplace

**As of Q3 2019:** Estimated electricity lifetime savings from sales of products in the Con Edison Marketplace are tracking as expected.

#### **2.2.5 Changes to Project Design**

No changes are planned.

### **2.3 WORK PLAN & BUDGET REVIEW**

#### **2.3.1 Phase Progress**

The Project team successfully worked through Phase 0 (Project Development) and Phase 1 (Project Launch) and is now working through Phase 2 (Demonstration Implementation) and Phase 3 (Project Optimization).

Phase 0 consisted of submitting the Implementation Plan and completing partner negotiations. Phase 1 consisted of all the activities required to launch the Project: data acquisition, program design and configuration, implementation of the web/Marketplace

and call center tools, quality assurance testing and go-live, as well as initial customer community outreach efforts.

Phase 2 (Demonstration Implementation) tasks focus on overall maintenance and reporting for the Project. In lieu of the Request for Information (“RFI”) process included in the Phase 3 Work Plan tasks, Con Edison supported NYSEERDA’s development of the REV Connect online platform. This platform allows DER developers to read about and express interest in becoming involved with New York’s demonstration projects. The team believes that at this stage in the Project, this level of effort in the DER recruitment process is suitable for potential third-party engagement.

Phase 3 of the Project began during Q4 of 2017 as Con Edison collected data and evaluated results and lessons learned from various Project efforts. A full description of the major Project phases is set forth in Appendix B: Description of Phases.

### 2.3.1.1 Updated Work Plan

The timeline below details Phases 2 and 3 of the Project’s extension from August 2018 to December 2019, per the amended Implementation Plan.

Demonstration Project - Connected Homes Platform									
Activity No.	Activity Description	Status	Lead	2018		2019			
				Q3	Q4	Q1	Q2	Q3	Q4
1.0	Phase 2 - Demonstration Implementation								
1.1	Project Management	IN PROGRESS	Con Edison						
1.1.1	Track program metrics	IN PROGRESS	Con Edison/Enervee						
1.1.1.1	Track digital and outbound engagement metrics	IN PROGRESS	Enervee						
1.1.1.2	Track energy efficiency savings	IN PROGRESS	Enervee						
1.1.1.3	Report on DER sales and other revenue channels	IN PROGRESS	Enervee						
1.1.1.4	Report on Marketplace Net Promoter Score	IN PROGRESS	Enervee						
1.1.2	Reporting	IN PROGRESS	Con Edison/Enervee						
1.1.2.1	Deliver Quarterly Reports	IN PROGRESS	Con Edison/Enervee						
1.2	Delivery	IN PROGRESS	Enervee						
1.2.1	Maintain, Expand Categories/Incentives & Optimize Marketplace	IN PROGRESS	Enervee						
1.2.2	Community Solar	IN PROGRESS	Enervee						
1.2.3	Bundles products & services such as EV Chargers & insurance/warranties	IN PROGRESS	Enervee						
1.2.4	Expand sponsorship opportunities across all marketing activities	IN PROGRESS	Enervee						
1.2.5	Integrate contractor home services	IN PROGRESS	Enervee						
1.3	Ongoing Customer & Community Outreach	IN PROGRESS	Con Edison						
1.4	REV CONNECT PLATFORM - DER Online Resource	IN PROGRESS	Con Edison/NYSEERDA						
1.5	Customer-Centered Applications: Meco & Bright Futures	COMPLETED	Con Edison/Deloitte						
2.0	Phase 3 - Project Optimization								
2.1	Evaluate project rollout	IN PROGRESS	Con Edison/Enervee						
2.3	Optimize Program	IN PROGRESS	Con Edison/Enervee						
2.4	Refine Program Design	IN PROGRESS	Con Edison/Enervee						
2.4.1	Refine DER Categories and Pricing	IN PROGRESS	Con Edison/Enervee						
2.4.2	Optimize Revenue/Benefit Opportunity	IN PROGRESS	Con Edison/Enervee						

	In Progress Task
	Not Started Task
	Completed Task

### 2.3.1.2 Updated Budget

As set forth in Section 1.3 budget information is being filed confidentially with the Commission.

## **2.4 CONCLUSION**

### **2.4.1 Lessons Learned**

Based on the improved performance of the lighting and thermostat emails after optimizations were made in Q2 and Q3, the team will continue to optimize the email campaigns with a focus on mobile users in Q4.

While lighting sales had been slowing in recent quarters, the changes made to the sale structure and email templates, resulted in the highest single-month unit sales to date (in August), showing there is still a market for LED lighting as long as the messaging and sale are structured right.

The team continues to balance promoting e-commerce sales of lighting and thermostats versus promoting overall site engagement for all product categories and functionalities. Balancing these two efforts require careful marketing efforts, forecasting, and project management. The team has worked on updating the solar experience in Q3, to streamline the appearance and process for customers. In the future, all stakeholders should be brought into design discussions earlier, especially if changes involve Con Edison brand guidelines.

### **2.4.2 Recommendations**

The Project team recommends performing 1-2 more lighting promotions before the end of the year in order to maximize energy savings.

Add EV charger category to e-commerce categories to enable interested customers to easily purchase the product on the Con Edison Marketplace.

## **2.5 INCLUDED APPENDICES**

Appendix A: List of Metrics and Results

Appendix B: Description of Phases

Appendix C: Online Marketplace Assessment (conducted by Opinion Dynamics)

## Appendix A: List of Metrics and Results

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q3 2019
DER Sales: Market Animation and Customer Choice & Digital Engagement: Integrated Online Experience	Leads and Acquisitions	Qualified solar leads generated	Number of qualified leads from Marketplace	Cumulative	Rooftop: 2,876 leads Community: 1,801 leads
		Solar sales reported	Number of solar systems sold	Cumulative	Rooftop: 248 contracts sold Community: 180 contracts sold
		Solar installations	Number of solar systems installed/community solar service initiated	Cumulative	Rooftop: 115 installations Community: 0 implementations
Revenue Realization	Total Revenue	Total revenue to Con Edison	Revenue gained	Annually	Actual revenue through Q3 2019 is roughly 70 percent of the projected total Marketplace revenue through the Phase 2 Project Extension (December 2019)
Demand Side Management: Customer Co-Benefits	Energy / Demand / Benefits	Energy savings (Marketplace e-commerce sales)	Total kWh savings from product sales from the Marketplace e-commerce platform	Quarterly	Electric savings (MWh): 77,451 (lifetime) Gas savings (Therms): 498,267 (lifetime)
		Reduction in greenhouse gas emissions	Greenhouse gas emissions reduction from product sales from Marketplace e-commerce platform	Quarterly	88,041,290 lbs. CO <sub>2</sub> ; 1,703.9 lbs. CH <sub>4</sub> ; 154.9 lbs. N <sub>2</sub> O.

## Appendix B: Description of Phases

Phase	0. Project Development	1. Project Launch	2. Demonstration Implementation	3. Project Optimization
Milestone (Stage Gate to Next Phase)	<b>Negotiations Complete</b> <ul style="list-style-type: none"> <li>Partner contracts signed</li> <li>DPS approval</li> </ul>	<b>Successful Platform Build:</b> <ul style="list-style-type: none"> <li>Attract vendors in key categories</li> <li>Successful data transfer</li> </ul>	<b>Platform Utilization:</b> <ul style="list-style-type: none"> <li>Click through rates</li> <li>Qualified leads</li> <li>Contact center volume</li> <li>Vendor retention</li> <li>Customer satisfaction</li> </ul>	<b>Revenue Realization:</b> <ul style="list-style-type: none"> <li>Revenue per source</li> <li>Customer satisfaction</li> <li>Vendor retention</li> </ul>
Key Elements	<ul style="list-style-type: none"> <li>Platform provider contracted</li> <li>DER providers signed-on</li> </ul>	<ul style="list-style-type: none"> <li>Develop platform</li> <li>End-to-end testing</li> <li>Contact center training</li> <li>Program go-live</li> </ul>	Evaluate response of specific audiences to <ul style="list-style-type: none"> <li>DER combinations</li> <li>Channels</li> <li>Messages</li> </ul>	<ul style="list-style-type: none"> <li>Leverage more granular customer data</li> <li>Optimize profit by refining <u>categories, pricing, and testing new business models</u></li> <li>Optimize for energy efficiency gains</li> <li>Evaluate response from the two test applications: <u>Meco</u> &amp; <u>Bright Futures</u></li> </ul>
DER Categories	N/A	N/A	<ul style="list-style-type: none"> <li>Solar systems</li> <li>Home audits</li> <li>Smart thermostats, LEDs, smart power strips</li> <li>HVAC systems</li> <li>Appliances</li> <li>Smart Home products</li> </ul>	<ul style="list-style-type: none"> <li>Expanded DER products and services</li> <li>New DER partnership</li> </ul>
Status	Completed	Completed	Ongoing	Started

## Connected Homes REV Demo Project

The **Connected Homes** demonstration project was designed to increase adoption of DERs and drive new revenue streams. The project initially included Home Energy Reports (HERs) with advertisement for DER promotions and an online **Marketplace**. The main focus has now become the online Marketplace, where residential customers can shop for energy efficient appliances, electronics, lighting, smart thermostats, solar services, and more. The Project also completed two customer-centered trials: a) a small business badging project; and b) an app-based energy management tool.

Project Inception: January 2016  
 Project Launch: June 2016  
 Project End Date: December 2019  
 Budget: \$19.2M  
 Q2 2019 Spend: filed confidentially  
 Cumulative Spend: filed confidentially (on budget)



### Lessons Learned: Customers

- Energy savings from HERs were materialized but engagement to 3<sup>rd</sup> parties proved insignificant
- Marketplace marketing campaigns drive engagement, sales, and energy savings
- Variety of products and services in the Marketplace is well received and desirable

### Lessons Learned: Market Partner

- Market partners have interest in working with Con Edison to promote their products and/or services
- Market partners are somewhat reluctant to pay or share revenue unless there is considerable customer engagement
- Market partners are interested in deep customer segmentation for proper targeting

### Lessons Learned: Utility

- Marketplace drives customer engagement and customer satisfaction
- It's an effective platform to generate energy savings that can be claimed towards energy efficiency goals
- New revenue streams are achievable but not to the expected level
- Customers want Con Edison to offer customized products and services

**Application of Lessons Learned:** *Con Edison Marketplace makes energy efficiency visible for most products in the market, empowering customers to make better choices. This is done by ranking products on its energy efficiency score and then engaging customers to understand how this translates to their energy savings. With the right mix of products, services, and partnerships, it is possible to generate moderate revenue to help reduce costs. The platform drives engagement, increases customer satisfaction, and contributes to the overall energy savings goals.*

**Issues Identified:** *Revenue generation to the point of "break-even" is challenging. Economies of scale and market competition are difficult to overcome.*

**Solutions Identified:** *Continuous coordination between market partners and internal teams were key to alignment, improved outcomes, and revenue realization.*

**Recent Milestones:** *a) Improved email conversion rates with new email templates and sale structure; and b) Conducted successful smart thermostat promotion for Independence Day and a record-breaking lighting promotion in August.*

**Upcoming Milestones:** *Evaluate adding EV chargers to Checkout, and execute Black Friday and holiday-related promotions with an emphasis on maximizing energy savings.*