



K. Jeffrey Ballard
Vice President – Operations Technologies &
Business Transformation

April 15, 2016

VIA EMAIL

Honorable Kathleen Burgess, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

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

Dear Secretary Burgess:

On behalf of Rochester Gas and Electric Corporation, a subsidiary of AVANGRID, Inc., enclosed for filing is the Energy Marketplace Demonstration Project Implementation Plan. A non-redacted version of this report has been provided to the Records Access Officer.

If you have any questions, please contact Jennifer Turner at 607.431.9122, ext. 221.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "K. Ballard", is written above the printed name.

K. Jeffrey Ballard

Enclosure

Reforming the Energy Vision

Demonstration Project Implementation Plan

Energy Marketplace



Table of Contents

Executive Summary	2
Section 1: Demonstration Design	3
A) Test Statements	4
B) Test Population	5
C) Test Scenarios	7
D) Check Points – In progress	8
Section 2: Governance & Project Structure	9
A) Governance	9
B) Project Team	11
C) Roles and Responsibilities	13
D) Customer Support	13
Section 3: Work Plan & Budget	15
A) Project Plan	15
B) Project Budget	18
Section 4: Reporting Structure	19
Section 5: Appendices	23
A) Glossary	23
B) Marketing Campaign Matrix	23

Executive Summary

This Implementation Plan is submitted by Rochester Gas & Electric (“RG&E” or the “Company”) for the RG&E Energy Marketplace (the “Marketplace”) Reforming the Energy Vision (REV) Demonstration Project. This plan is submitted based on the Department of Public Service (“DPS”) Staff assessment report issued March 15, 2016 and RG&E’s Marketplace project proposal submitted to the Department of Public Service Staff (“Staff”) July 1, 2015 and updated January 26, 2016 to reflect DPS Staff’s comments and recommendations following the July 1, 2015 project proposal.

This plan conforms to the REV Demonstration Project Implementation Plan Template provided by DPS Staff dated August 11, 2015 and generally describes the Marketplace project design, roles and responsibilities, work plan, budget and reporting structure. The Marketplace Implementation Plan will be a living document which may be updated as a result of findings from test hypotheses, market analysis, and other discoveries as the Marketplace evolves.

The project will use a phased in approach to engage customers through multiple communication channels. Phase One will be the launch of Marketplace with incentivized offerings on smaller products; Phase Two will be a multistep roll out. The onset of Phase Two will expand products and service offerings and incorporate targeted communications to customers who have already participated in Energy Efficiency programs. As Distribution Level Demand Response (DLDR) and Non-Wires Alternatives (NWA) initiatives evolve in 2016, the Marketplace will coordinate and where possible leverage those initiatives with targeted communications and/or expanded offerings. Based on Phase Two results and assessments of lessons learned, the Marketplace offerings could expand to include New York State Electric and Gas (NYSEG) customers. The scope and scale of Marketplace offerings beyond Phase two will be re-assessed based on program performance results and potential future opportunities.

With each phase of the project, the Marketplace will provide the following key benefits:

- Customer engagement through use of tools and information to better understand and manage their energy usage;
- Market animation to connect distributed energy resources (DER) providers with potential customers;
- Support of Energy Efficiency, Distribution Level Demand Response (DLDR) and Non-Wires Alternatives (NWA) where synergies are discovered.

Targeted messaging will promote customer awareness and drive customer and DER engagement to visit the Marketplace for product offerings and to purchase energy related products and services.

Section 1: Demonstration Design

The Marketplace will be an RG&E branded ecommerce site which will provide both an innovative customer experience and a meaningful business opportunity for the company and its partners. It will bridge the gap between DER providers and RG&E customers by providing information to help customers understand and manage their energy use, shop for and purchase energy related products and services, and efficiently connect providers of DER with potential customers. As the program evolves, we will update and add services based on local market knowledge, and lessons learned from other demonstration projects with DER providers to tailor products and services to attract RG&E customers.

Throughout each phase of the project, we will plan to adopt and test a number of new marketing practices to move customers along an engagement path based on our partner's (Simple Energy) data-driven targeted marketing strategies to enable customers to identify the most suitable products and services. We will evaluate success through testing hypotheses and measuring customer engagement and DER acquisition.

Online Marketplace:

The Marketplace will provide a simple shopping experience to test energy related online transactions, customer satisfaction, and delivery of more comprehensive energy solutions for our customers. The Marketplace platform will further test methods to customize, engage, and grow the market, while better connecting with customers on a range of DER offerings through targeted marketing and tailored content. The transactional structure of the Marketplace enables us to provide a comprehensive set of energy-related experiences for customers. It can be adapted to fit our evolving customer programs including the opportunity to support testing the effectiveness of new energy efficiency programs or geo-targeting incentives to support non-wires alternatives solutions. For example, RG&E could offer customized incentives for customers that are located on circuits that experience system constraints. By incentivizing products that could help specific customers reduce demand, the marketplace could support optimized DER. In expanding the scope and providing more comprehensive offerings, the Company maintains and expands brand affinity as our customers' trusted energy advisor and source of solutions.

By connecting customers with an array of DER options, the Marketplace becomes a valuable source for DER providers to market their products and services to RG&E customers. The Company will work within the framework being developed for oversight of DER providers under case number 15-M-0180 to ensure they meet the requirements necessary to maintain public safety, reliability and well-functioning markets. Lessons learned from the application of the statewide DER Provider Uniform Business Practices will also be captured as part of the ongoing Marketplace assessment to enable us to more effectively connect qualified DER providers with customers.

Additionally, the platform provides RG&E revenue from sales and potentially advertising opportunities. Revenue will be generated through a percent of margin. We will pay for setup fees for the Marketplace platform, and receive a share of revenues. Simple Energy will set up the platform, including product and service offerings as well as DER offerings. Customers then purchase products and services and pay through the RG&E-branded Simple Energy website, which will be apportioned among the DER service provider, Simple Energy, and RG&E.

To ensure timely execution of the initial version of Marketplace, we will not offer an integrated single sign on (SSO) option from the RG&E customer account portal. This option may be added with later versions of Marketplace after the program's key elements have been tested and proven successful. Technologies such as Green Button functionality will also not be included in the initial version of Marketplace. RG&E offers customer's online access to their usage data from scheduled meter reads through creation of an online account. Since Green Button technology is more applicable and meaningful with more frequent and granular usage information, it may be explored as part of the Energy Smart Community demonstration project with the deployment of smart meters.

A) Test Statements

Table 1 below articulates the specifics of the Marketplace demonstration project along with the underlying hypotheses that form the basis of the test. Each test statement leads to a number of checkpoints that will evaluate the success of the statement.

Table 1: Test Statements and Hypothesis

Test Statement	Hypothesis
<p>We believe...</p> <p>Customers will engage and take action to purchase energy-related products within an Energy Marketplace providing targeted communications, recommendations and incentives.</p>	<p>If... the marketplace offerings are directly targeted and properly marketed to customers based on previous engagement, usage data and/or other specific segmentation,</p> <p>Then... DER adoption in the target customer segment will be 3% higher than customers not targeted. The number of purchases through target email click throughs will be compared to the number of purchases made by customers who have not received target communications.</p> <p>If... incentivized marketplace offerings (real-time rebates, below market cost products...) are marketed to customers,</p> <p>Then... there will be 25% increase of site visitation as compared to general marketing campaigns with no incentive offerings. Click throughs from campaigns with incentives will be compared to click throughs from generic marketing campaigns</p>
<p>We believe...</p> <p>The Marketplace will result in positive system benefits by leveraging EE and DR campaigns geo targeted based on system location (circuit/substation).</p>	<p>If... the Marketplace is an effective channel to leverage and enhance existing and new efficiency and demand response programs,</p> <p>Then... the marketplace will generate more visits and have 2% higher enrollment rates than other channels (applicable to DL DR, EE programs, and NWAs where comparison is possible). Specific system benefits will be captured and tracked as part of the DR, EE, and/or NWA campaigns.</p>
<p>We believe...</p> <p>The Marketplace revenue growth opportunity supports the investment.</p>	<p>If ... the Marketplace is an effective channel to provide products and services to customers,</p> <p>Then... the market place will have 35,000 transactions in the first 12 months with an average value of \$260 per sale</p>
<p>We believe...</p> <p>The Marketplace will provide a positive customer experience and show overall satisfaction.</p>	<p>If... the Marketplace is an effective channel for customers to engage in DER and meets customer's needs,</p> <p>Then... customers will rate the experience as an 8 or higher on the Net Promoter Score.</p>

B) Test Population

The Marketplace targeted campaigns will consist of four strategies. The initial campaign will target all RG&E residential and small commercial electric customers with the focus on generating awareness of the Marketplace and to begin driving traffic to the site. Later campaigns will be phased in to target customers that have already participated in EE programs and will leverage new EE initiatives. Other campaigns will target NWA and DLDR initiatives as they evolve. For each campaign, we will test the specific population using the characteristics specified in the selection method outlined in Table 2 below. Overall, the effectiveness of Marketplace will be tested based on the population of customers who visit the site. The tests will also ensure that a control group is established to provide a baseline for the test scenarios. Although the control group will receive general communication provided to all RG&E customers, the control group will not receive targeted communications, emails or incentives.

Table 2: Test Population and Selection

Test Population Description	Selection Method
<p>General campaigns: All residential and small commercial customers</p>	<p>Marketplace offerings will be communicated to all residential and small commercial electric customers at RG&E using existing communication channels (email, bill inserts, bill messaging, on-hold phone messages).</p> <p>Bill inserts will be coordinated with EE inserts to leverage the Energy Marketplace with EE initiatives.</p> <p>Customers who've shared email addresses with RG&E will receive targeted email communications 2-5 times per month, which communicates general information and incentive offerings of the Marketplace. While customers will have the option to opt-out of campaign specific emails, Simple Energy has been communicating with other utility customers at this same frequency and finds only a small percentage of opt-outs (1-2%).</p> <p>The Company will also use targeted messaging to market products/services specific to our customer's unique needs. The targeted messaging will be done through segmentation using customer data which may include:</p> <ol style="list-style-type: none"> 1) Usage – data used to target based on usage amount, usage curves, baseline vs. variable usage and potentially energy disaggregation. 2) Demographics – data provides unique traits on customers used to provide appealing messaging and communications increasing the likelihood of opens and conversions. 3) Other utility program participation, i.e., EE, ebill, etc. – data helps predict the likelihood of customers' willingness to participate in additional programs. 4) Address / Geo-location – data used to derive general targets on household type, general home information, income level, occupant type. 5) Landlord flag – targeting based on landlord / renter will have different messaging. 6) Digital Utility Account – data helps identify customers who have higher propensity to engage with an e-commerce site. 7) Building Characteristics – specific home data helps target the right products for the right households.

Table 2: Test Population and Selection (Continued)

Test Population Description	Selection Method
<p>Specific Campaigns targeted at the following programs eligible customers or participants:</p> <ul style="list-style-type: none"> • Non Wires Alternative (NWA) program • Distribution Level Demand Response (DLDR) • Energy Efficiency (EE) Participation 	<p>Geo target EE and DR campaigns based on system location (i.e., circuit/substation) and customer type; leverage customer data for targeted messaging</p> <p>Geo target DL DR programs (BYOT+) based on system location (TBD) and customer type; leverage customer data for targeted messaging</p> <p>Geo target EE initiatives to include: 1) Segmenting by previous EE participation 2) Targeted in parallel with EE program to test comparison channels</p> <p>Specific system benefits will be captured and tracked as part of the DR, EE, and/or NWA campaigns.</p>
<p>All customers who visit the Marketplace</p>	<p>All site visits, transactions and purchases will be tracked in addition to dollar amounts of sales.</p>

The segmentation strategy and messaging results will be reviewed for effectiveness. Based on the review, the campaign strategy will be updated and will incorporate adjustments to continue to improve sales results.

C) Test Scenarios

The Marketplace provides an opportunity to test multiple factors including customer segmentation, communication channel, products and incentives. We envision that the tests will evolve based on results and programs. The program assumes a quarterly review of results to then further develop and refine campaigns, messages, and segmentation. Table 3 describes the test scenarios and the Key Performance Indicators to measure results.

Table 3: Project Test Scenarios, Descriptions and Measurements

Scenario	Description	KPIs
Program Offerings	<ul style="list-style-type: none"> Test results across different program offerings which may include Non-Wires Alternatives, DL DR – BYOT program and new Energy Efficient initiatives 	By programs; Unique Open Rates Click Rate Forwards Total Sales Conversion Rate Unsubscribe Rate Bounces Site Traffic
Marketing based on available channels	<ul style="list-style-type: none"> Test scenarios based on Source (Utility Channels vs. Web Marketing) Channels (Email, Paper, SEM, etc.) 	By channel: Site traffic Total Sales Awareness
Targeted Segmentation	<ul style="list-style-type: none"> Targeted email marketing based on Geo-location, previous actions, engagement Targeted email marketing based on customer demographic data Targeted email marketing based on usage data 	By segment: Open Rates Click Rate Total Sales Conversion Rate Unsubscribe Rate Bounces Site Traffic
Differing Incentives Scenarios	<ul style="list-style-type: none"> Real-time rebates Varying Product Sale Promotions. Some promotions may include: <ul style="list-style-type: none"> Discounted products Free Shipping/Free Returns Flash Sales Buy More, Save More Product Giveaways Price Match Holiday Promotions Sweepstakes On bill financing [option in review] 	By incentive Total Sales Conversion Rate Site Traffic Profitability
Customer Satisfaction	<ul style="list-style-type: none"> Conduct Customer Surveys 	By Net Promoter Score

D) Check Points

The Check points defined in Table 4 below describe the Marketplace demonstration project results to be assessed at regular intervals and compared to initial expectations. The solutions and strategy mentioned for each describe how the team will reflect on learnings and apply changes to hypotheses and/or execution.

Table 4: Project Checkpoints and Descriptions

Check Point	Description
Customer Marketing Engagement	<p><u>Measure:</u> Marketing KPIs (Opens, Click-throughs, Conversions...)</p> <p><u>How and When:</u> Monthly, using marketing analytic tools</p> <p><u>Expected Target:</u> 25% Open rate for emails received, and 3% click-through rate for emails received, 2.5% conversion rate for customers who visit the site following each campaign. Results will be formally reported quarterly representing monthly data.</p> <p><u>Solution/Strategy if expectations are not met:</u> Evaluate marketing strategy, evaluate communication methods/channels and evaluate/establish optional advertising levels.</p>
Sales / Transactions	<p><u>Measure:</u> Number of Transactions, Average Price per Transaction</p> <p><u>How and When:</u> Quarterly, using Marketplace Portal data</p> <p><u>Expected Target:</u> 9,000 transactions quarterly, \$260 per transaction. Will report quarterly noting pace towards annual target.</p> <p><u>Solution/Strategy if expectations are not met:</u> Evaluate and add/change offerings; evaluate and add/change price structure; conduct customer survey to obtain direct suggestion/feedback; add additional marketing/PR channels.</p>
Incentivized Offers	<p><u>Measure:</u> Number of Transactions per incentive, Percent Increase</p> <p><u>How and When:</u> Quarterly, using Marketplace Portal Data</p> <p><u>Expected Target:</u> 5% overall Increase in transactions over previous quarter. Will report results quarterly.</p> <p><u>Solution/Strategy if expectations are not met:</u> Evaluate and add/change incentive structure. Conduct customer survey to obtain direct feedback.</p>
Customer Satisfaction	<p><u>Measure:</u> Customer Satisfaction using Net Promoter Score</p> <p><u>How and When:</u> Quarterly, Net Promoter Score (NPS) uses short 1 -2 question survey to establish propensity of a customer to promote or reflect positively about your brand displayed on an 1-10 scale. AVANGRID will conduct random survey across a random sample of customers (Ideally 200 – 400 respondents) to establish baseline before launch of Marketplace. Each Quarter after launch random samples of customer surveys will be conducted to gather NPS scores and reported on.</p> <p><u>Expected Target:</u> 8+ showing that the average customer engaging with new program is satisfied or even loyal enthusiasts who will keep buying and refer others.</p> <p><u>Solution/Strategy if expectations are not met:</u> Evaluate and modify customer experience. Conduct follow up survey to obtain direct customer feedback.</p>

Section 2: Governance & Project Structure

A) Governance

For purposes of this Implementation Plan, the Energy Marketplace Project Team is comprised of individuals from AVANGRID, NYSEG, RG&E, and CMP. To clarify the relationship among the entities, AVANGRID is a holding company with executive responsibilities dealing with the ordinary direction and effective management of the business of its group of companies. The business affairs of AVANGRID are managed under the direction of its Board of Directors and of its governing bodies. In carrying out these responsibilities and exercising its decision-making authority, AVANGRID abides by the principles set forth in its by-laws, corporate policies, internal corporate governance rules and other internal codes and procedures approved by the board of directors.

AVANGRID has three operating subsidiaries: Iberdrola USA Networks, Iberdrola Renewables, and Iberdrola Energy Holdings.

Operating companies of Iberdrola USA Networks with individuals having responsibilities of Energy Marketplace include:

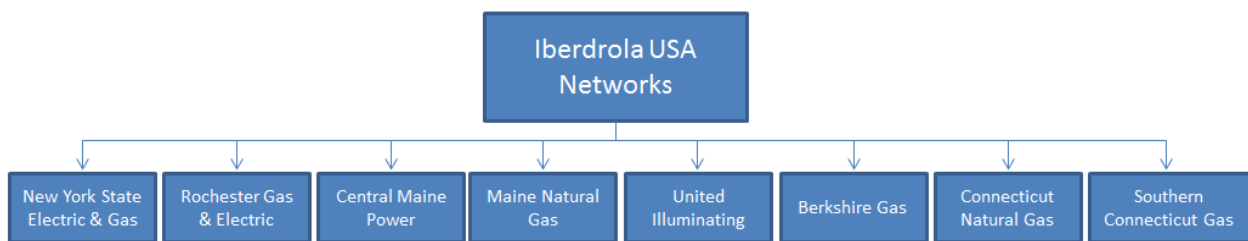
New York State Electric & Gas Corporation (NYSEG): Serves 881,000 electricity customers and 263,000 natural gas customers across more than 40 percent of upstate New York.

Rochester Gas and Electric Corporation (RG&E): Serves 371,000 electricity customers and 307,000 natural gas customers in a nine-county region centered around Rochester, NY.

Central Maine Power Company (CMP): Serves 612,000 electricity customers in central and southern Maine.

Figure 1 illustrates the eight operating companies of AVANGRID's subsidiary Iberdrola USA Networks. Energy Marketplace Project team members are from NYSEG, RG&E, and CMP as described above.

Figure 1: Iberdrola USA Networks Operating Companies



For Energy Marketplace, in support of RG&E, AVANGRID maintains overall responsibility of project execution. As stated above, AVANGRID will have ultimate responsibility for managing project spending, meeting project milestones, and ensuring that regulatory reporting requirements are met. In the spirit of the REV demonstration projects, AVANGRID will share implementation leadership responsibilities with our project partner Simple Energy.

The Energy Marketplace will be governed through an Advisory Board. AVANGRID and Simple Energy project teams will be responsible for the day-to-day project implementation decisions. On a monthly basis the AVANGRID Project Manager will meet with an AVANGRID Advisory Board to report on project status and solicit feedback on strategic guidance. Also on a monthly basis, the chair of the Energy Marketplace Advisory Board will review project status with the AVANGRID Executive Steering Committee in order to ensure continued alignment with AVANGRID's strategic direction, alignment other REV initiatives, and to ensure any internal roadblocks to project success are mitigated.

Table 5 presents the members of the Marketplace Advisory Board, with Figure 2 and 3 presenting the Marketplace project organizational structure and governance process.

Table 5: Advisory Board

Advisory Board Member	Title	Responsibility
Ballard, Jeff	Vice President, Operations Technologies and Business Transformation	Chair
Beaudoin, Mark	Director, Customer Services and Systems	Distribution Level Demand Response Initiatives and Coordination
Bochenek, Scott	Manager, Smart Grid Planning	CEC / ESC Coordination
Fish-Gertz, Joni	Manager, Non-Wires Alternatives	Non-Wires Alternatives Initiatives and Coordination
Gridley, David	Manager, Marketing and Sales	Marketing & Sales and Energy Efficiency Impacts and Coordination
Michelson, Leona	Director, Marketing and Sales	Customer Communications
Webster, Marc	Manager, Retail Access, Customer Satisfaction & Appeals	Retail Access and Customer Satisfaction Impacts
VanBrooker, Terri	Director, Customer Service	Customer Service Impacts

Figure 2: Marketplace Organizational Structure

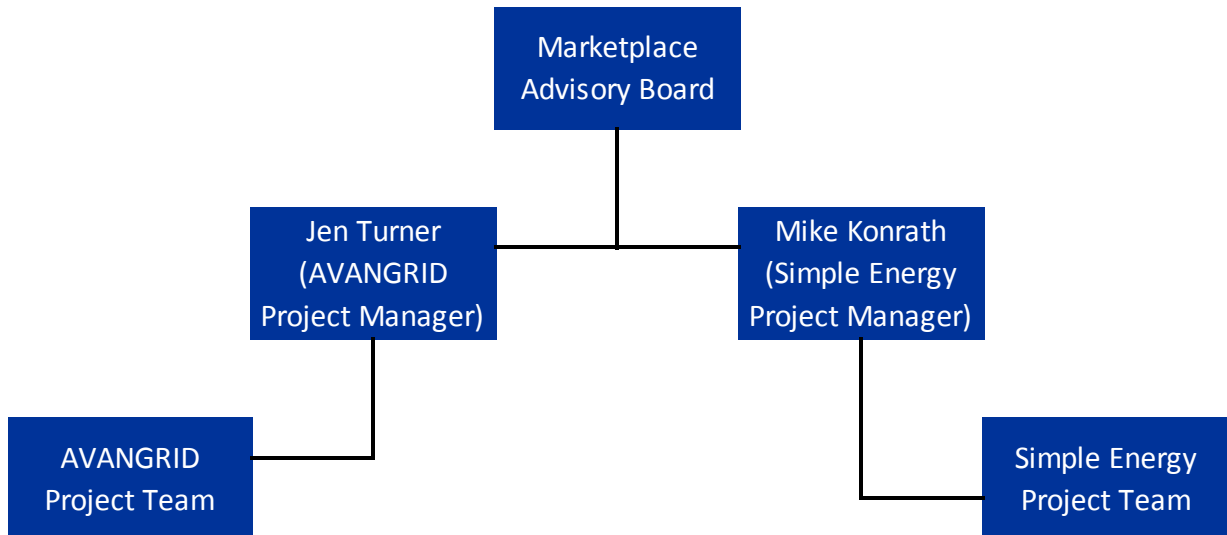


Figure 3: Marketplace Governance Process Diagram

Day-to-Day Project Implementation Decisions	Partner Alignment	Strategic Direction	Strategic Alignment
<u>EM Project Team</u> Jen Turner (AVANGRID) Mike Konrath (Simple Energy)	<u>EM Executive Oversight</u> Jeff Ballard (AVANGRID) Justin Segall (Simple Energy)	<u>Energy Marketplace Advisory Board</u>	<u>AVANGRID Steering Committee</u>

B) Project Team

In support of RG&E, AVANGRID maintains overall responsibility of project execution. Project members could be from AVANGRID or any of the subsidiaries listed above. Table 6-7 depicts project skillsets from both AVANGRID and Simple Energy. Table 8 provides the AVANGRID names and contact information for each identified skillset. Table 9 provides the Simple Energy names and contact information for each identified skillset. Table 10-11 identifies persons responsible for decision making authority and logistics.

Table 6-7: Project Skillsets:

Utility Skillsets
Program Management
IT integration support
Marketing
Customer Service support
Market Research
Energy Efficiency SME
Data query and analysis
Reporting

Partner Skillsets
Program Management
IT integration
Marketing development
Customer Support Services
Ecommerce Merchandising and Copywriting
Financial Analysis
Data analytics and testing
Reporting

Table 8: AVANGRID Project Members and Contact Information:

NYSEG & RGE / AVANGRID	Relevant Skillsets	Contact Information (Email and Phone)

Table 9: Simple Energy Project Members and Contact Information:

Simple Energy	Relevant Skillsets	Contact Information (Email and Phone)

Table 10-11: Utility and Simple Energy project decision making authority and logistics:

Decision Making Body	
Utility Participants	Partner Participants
Jen Turner	Mike Konrath
Jeff Ballard	Justin Segall

Decision Making Logistics	
Meeting format	Project calls (weekly) Campaign reporting, assessment and review
Meeting frequency	Weekly/Monthly

C) Roles and Responsibilities

This section describes the overall roles and responsibilities for each skill set identified above:

- Business Owner – Responsible for detailing all of the business requirements, validating solution meets the requirements.
- Program Manager – Owns program scope, budget, schedule and governing plan. Coordinates with all respective parties to ensure task execution is consistent with plan.
- Customer Research and Marketing – Responsible for ensuring all communications related requirements are being satisfied with the plan. Responsible for ensuring all branding related standards are being met within the solution design.
- Customer Service – Responsible for internal communications to front-line customer service and providing frequently asked questions and customer representative talking points.
- Energy Efficiency – Liaison for EE initiatives and leveraging with the Marketplace.
- Data Analysis – Responsible for creating customer lists for general and targeted marketing campaigns.
- IT – Responsible for ensuring all technology related standards and requirements are being met with the solution design. Provide support for solution testing and maintenance of data sources and respective interfaces.

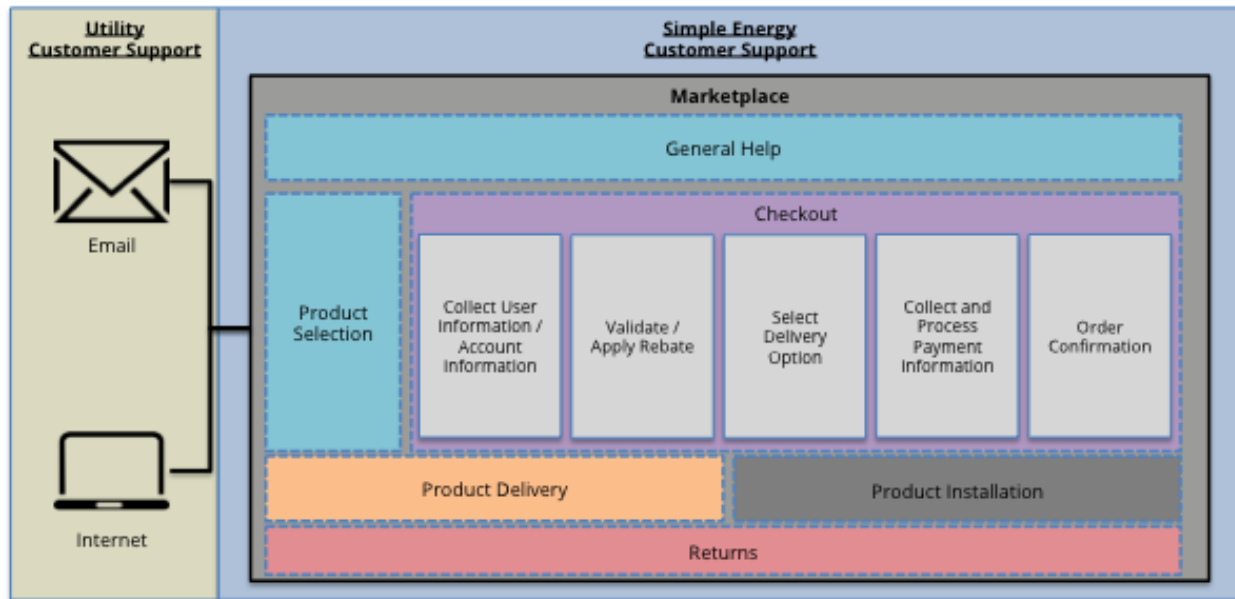
In addition to the specific areas above, savings measurement calculations to support EM&V will be conducted by Simple Energy for those measures included in New York Technical Resource Manual. We will continue coordination with JU members on EM&V standards and consistent approaches using the TRM as a guide.

D) Customer Support

Figure 3 below illustrates AVANGRID and Simple Energy responsibilities as they relate to Marketplace communication flow with customers. AVANGRID is responsible for providing customer support for marketing communications it generates and releases. Simple Energy is responsible for all other customer communications generated by and supported within Marketplace.

- There are three (3) Customer Support Channels within the Marketplace:
 1. E-mail – Support provided by Simple Energy responding to issues generated through email to widely broadcasted and available Utility branded Marketplace domain address.
 2. Telephone Call – Support provided by Simple Energy responding to issues generated through the customer service phone number widely distributed through Marketplace and Marketplace related messaging.
 3. Live Chat – Support provided by Simple Energy responding to issues generated and provided on the Marketplace e-commerce website easily reachable on the customer browser.
- There are five (5) Issue Types related to the colors in chart below:
 1. General Help and Product Selection (Blue)
 2. Checkout (Purple)
 3. Product Delivery (Orange)
 4. Product Installation (Gray)
 5. Returns (Pink)

Figure 3: Simple Energy Customer Support



- Most inquiries will go directly to Marketplace Customer Service Representatives managed by Simple Energy. However, customers may also contact the RG&E Customer Care center. RG&E Customer Relations representatives will have general program information and FAQ's to address inquiries, but will not have visibility on customer activity in the Marketplace. Customers who contact RG&E with detailed inquiries on Marketplace transactions will be referred to Simple Energy. RG&E representatives may transfer the call, or provide the Simple Energy phone number or the customer may go online and chat with a Simple Energy representative. Any potential complaints will be escalated to the utility project manager for resolution.

Section 3: Work Plan & Budget

A) Project Plan

AVANGRID and Simple Energy will implement the Marketplace as defined in the work plan below. The plan defines each of the phases and lists general activities associated with each phase. Table 12 shows a general timeline with length of activities and will evolve into specific dates as we progress into Phase 1. Table 13 further describes activities and identifies the entity responsible.

Project Plan

- Phase 0 – Program approval and implementation commencement. This phase focuses on integrating necessary data interfaces, reviewing and approving marketing strategy and launching Marketplace with the first wave of products beginning Phase 1. Specific activities, sequence and durations are detailed in below Launch Plan
- Phase 1 – Launch online marketplace with the first wave of incentivized offerings and market campaigns to residential and small commercial RG&E electricity customers.
 - RG&E will provide Utility data to allow for targeted digital marketing based on geo-location, retargeting, prior action/engagement and provide seamless validation for integrated rebates. Minimally, the data will include¹:
 - Customer Account Number
 - Service Point Address
 - Customer email address (as available)
 - Products and Service Offerings -1st Wave
 - Smaller products such as thermostats, smart strips, LED and/or CFL bulbs and lighting
 - With short timeline from implementation commencement to launch the first wave of product offerings will be comprised of smaller items which vendor relationships are established, shipping and fulfillment processes are simple and quickly attainable.
- Phase 2 – Online marketplace will initially target customers who have previously engaged in Energy Efficiency programs to provide additional incentivized offerings. As DL DR and NWA initiatives continue to evolve, Marketplace will leverage with those initiatives to further explore incentivized offerings. Enhanced marketing will be provided through multiple sources and channels with utilization of additional data based on customer segmentation/usage.
 - Additional Utility data may be provided to enhance customer communication effectiveness.
 - Previous EE participation, data can be used to provide further promotion and incentivized marketing to customers
 - Usage, Demographics, Other utility program participation, Landlord flags, and/or Digital Utility Account data may all be established during this phase to improve marketing effectiveness and customer experience.
 - Product and Service Offerings – 2nd Wave
 - Additional products not established during 1st Wave
 - Combined resources from DL DR and NWA initiatives to further expand offerings

¹ AVANGRID will only share data necessary to conduct the operations of the program with our trusted partner, Simple Energy. Data will not be shared with other third parties. Customer account number is necessary to verify customer eligibility for incentives and will be used only by Simple Energy for that purpose.

- Larger products such as Refrigerators, Washer/Dryers, Window ACs, Thermostat Installations, and fixed-fee services such as Residential Furnace Tune-Ups may be offered
- After program commencement contractor will be able to establish additional vendor relationships finalize shipping and fulfillment services for larger items allowing for 2nd Wave of products and services on the Marketplace during Phase 2.
- Products and Service Offerings – 3rd Wave
 - Additional products not established during 1st or 2nd Wave
 - Variable Service Offerings such as Solar Panels, AC/Furnace Install or Replacement, Home Energy Audit, Power Wall with Installation
 - In order to provide variable service offerings processes need to be established between all parties allowing variable services to properly be added and managed on the Marketplace. Proper relationships between contractor and service providers will be developed with strict commitment to seamless and quality customer experience. Establishing this process and proper relationships will take more effort and coordination than previous waves of products and services.
- Post Phase 2 – Based on Phase 2 results and final demonstration project report we will develop a strategy to expand marketplace offerings to include targeted NYSEG customers. We could explore further incorporating NWA and/or other EE / DR initiatives. Marketing sources, channels and targeting will continue to be tested.

Table 12: Timeline for Activities

Marketplace Project Plan	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Phase 0						
Planning Workshops and Artifacts						
Program Design Workshop						
Customer Marketing Workshop						
Merchandising Workshops						
Reporting Workshop						
Final Review of Artifacts						
Iterative Site Buildout and Configuration						
Deploy Marketplace Infrastructure						
Configure Site to Configuration Worksheet Spec						
Add Site Content and Merchandise						
Configure Customer Support Platform						
Configure Retargeting and SEO Advertisements						
Configure Email Service						
Marketplace Data Integration Activities						
Integrate Customer Data						
Create Rebate Reconciliation Process						
Integration Testing and Shakeout and Launch Prep						
Marketing Content Creation						
Email Copy						
Paper Mailers						
Press Releases/Earned Media						
Bill Inserts/Onserts						
User Acceptance Testing						
Training						
Phase 1						
Marketplace Launch (1st wave of products)						
Marketplace Marketing Plan Execution						
Pre-launch Embargoed Press Release						
Execute marketing plan						
Phase 2						
Add 2nd wave of products and fixed fee services offering						
Add 3rd wave of products and additional services						

Table 13: General Activities and Responsibility²

Phase	Category	Activity	Simple Energy	IUSA
Phase 0	Planning	Program Management and Design Workshop	Lead	Support
Phase 0	Planning	Create Project Charter	Lead	Support
Phase 0	Planning	Create Detailed Launch Plan	Shared	Shared
Phase 0	Planning	Create Ongoing Post-launch Roadmap	Shared	Shared
Phase 0	Planning	Create Training Materials	Lead	Support
Phase 0	Planning	Create Reporting Templates	Shared	Shared
Phase 0	Planning	Create Test Plan	Lead	Support
Phase 0	Planning	Planning Complete Milestone	Lead	Support
Phase 0	Merchandising	Conduct Merchandising Workshop	Lead	Support
Phase 0	Merchandising	Generate Product listing	Lead	Support
Phase 0	Site Buildout and Configuration	Deploy Site Infrastructure and Web Application	Lead	Support
Phase 0	Site Buildout and Configuration	Configure Site, Add Content and Products	Lead	Support
Phase 0	Site Buildout and Configuration	Configure Site Rebate Content and Process	Lead	Support
Phase 0	IT	IT Workshop	Lead	Support
Phase 0	IT	Develop Interface Agreement and Rebate Reconciliation Process	Lead	Support
Phase 0	IT	Provide Initial Launch Data feeds, if applicable	Support	Lead
Phase 0	IT	Consume Initial Launch Data feeds, if applicable	Lead	Support
Phase 0	Marketing	Marketing Workshop	Lead	Support
Phase 0	Marketing	Develop Marketing Strategy	Lead	Support
Phase 0	Marketing	Develop 90 Day Marketing Plan	Lead	Support
Phase 0	Launch	Execute Test Plan	Shared	Shared
Phase 0	Launch	Conduct Training Workshops with Customer Service	Lead	Support
Phase 0	Launch	Pre-launch activities	Shared	Shared
Phase 1	Launch	Execute Marketing Plan	Shared	Shared
Phase 1 / 2	Ongoing Program Execution	2016 Q1 Review - Review Program Success, Refine Marketing Plan and Roadmap	Shared	Shared
Phase 2	Ongoing Program Execution	2016 Q2 Review - Review Program Success, Refine Marketing Plan and Roadmap	Shared	Shared
Phase 2	Ongoing Program Execution	2016 Q3 Review - Review Program Success, Refine Marketing Plan and Roadmap	Shared	Shared
Phase 2	Ongoing Program Execution	2016 Q4 Review - Review Program Success, Refine Marketing Plan and Roadmap	Shared	Shared

² Table 13 assumed the Marketplace launch in 1Q 2016; current projected launch will be toward the end of 2Q 2016.

B) Project Budget

The project budget and revenue tables below assume a 15-18 month implementation from the time of project approval and start up.

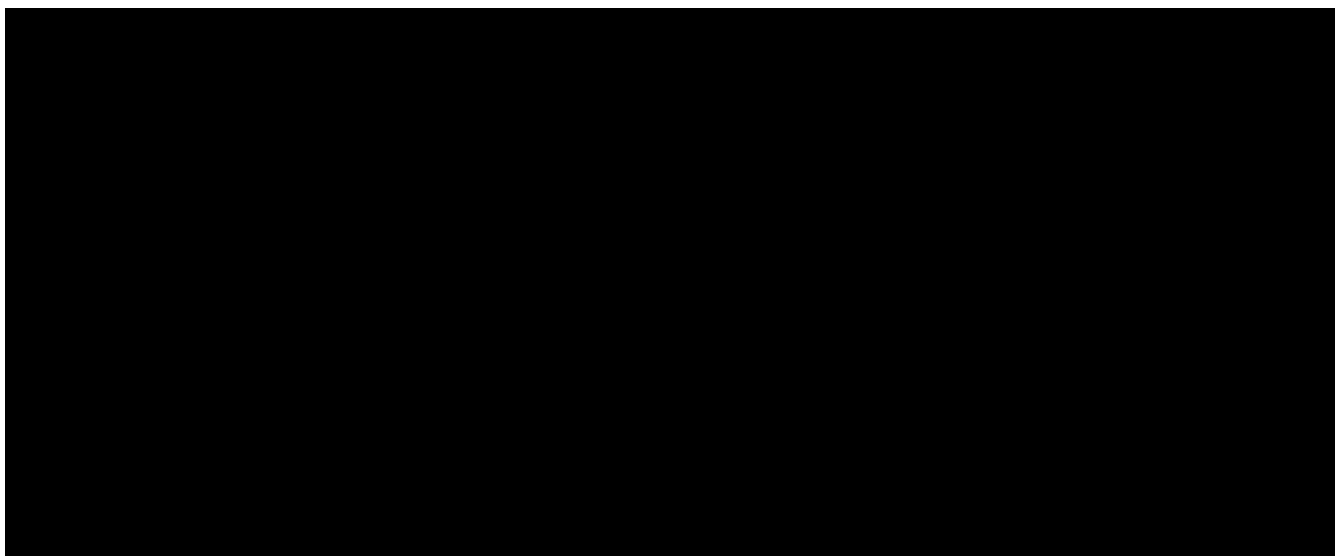
Table 14: Project Cost:

Description	Assumption (including timing)	2Q16	3Q16	4Q16	1Q17	Total
Simple Energy Fees	Finalize agreement	\$ 185,000	\$ -	\$ -	\$ -	\$ 185,000
Marketing Costs	First campaign initiates 2Q 2016	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
Programs/Rebates	Initial launch - quarterly updates		\$ 30,000			\$ 30,000
Total		\$ 235,000	\$ 80,000	\$ 50,000	\$ 50,000	\$ 415,000

Program/rebate dollars are a pass-through incentive to be paid to customers in the form of point-of-sale rebates. They will not be paid to Simple Energy.

The marketing costs will be used for marketing campaigns and will be matched 1:1 with marketing dollars from Simple Energy.

Table 15: Project Revenue:



Section 4: Reporting Structure

Quarterly reports will be provided to DPS Staff throughout the demonstration project term. The reports will follow the outline presented in Figure 4, and will provide an update on implementation progress according to the project plan and budget and will identify any deviations from the project plan and budget.

Figure 4: Quarterly Report Outline

1.0 Executive Summary
2.0 Demonstration Highlights
2.1 Since Previous Quarter
2.1.1 Tasks Completed
2.1.2 Task Activities Overview
2.1.3 Sub-Task Activities Overview
2.2 Next Quarter Forecast
2.2.1 Checkpoints/Milestone Progress
2.2.2 Planned Activities
2.2.3 Expected Changes
2.3 Issues
3.0 Work Plan & Budget Review
3.1 Task Review
3.1.1 Task 1.0
3.1.1.1 Progress Assessment
3.1.1.2 Issues
3.1.1.1.1 Sub-Task 1.0.1
3.1.1.1.2 Sub-Task 1.0.2
3.2 Work Plan
3.2.1 Updated Work Plan
3.2.2 Updated Budget
4.0 Conclusion
4.1 Lessons Learned
4.2 Recommendations

Project milestones and other specific metrics will be included in the quarterly report and are depicted in the tables below.

Table 16: Project Reporting Metrics

Metric	Per Quarter
Milestones completed by Quarter:	
Upcoming Milestones	
Lessons Learned	
Recommendations for changes/updates to project scope	
<u>Overall Program Metrics</u>	
1. <u>Actual to Forecasted Revenue</u> : comparison of the actual revenues generated from the project to the forecasted revenues	
2. <u>Spend to Date: total expenditures by budget category.</u>	
3. <u>Customer Awareness</u> : measured by our ongoing customer satisfaction survey	
4. <u>Customer Satisfaction</u> : measured by our ongoing customer satisfaction survey	

Table 17: Shared comparable KPIs across IOUs

Benchmark	Potential Metrics	Unit	Optimal Tracking Level
Program Offerings	• Revenues	• Program	• Per month
Product Offerings	• Revenues	• Product	• Per sale
Marketing Channels	• Click through rates • Qualified leads (as determined by sales) • Time spent on website • Customer demographics	• Channel	• Per month
Program Pricing	• Rebates claimed	• Pricing campaign	• Per individual pricing campaign
Place of Purchase	• Number of sales • Average order value • Click through to retail sites • Shopping cart abandonment • Number of product reviews	• Purchase location	• Per month
Outgoing Messaging	• Click through rates • Conversion rates • Average order value	• Customer demographics	• Per month

Table 18: Program Specific Metric consistent across IOUs (Top Channels)

Marketing Channels				
Top Channels (tracked per month)	Click through rates	# of qualified leads (as determined by sales)	Time spent on website	Major differences among customer demographics?
e.g. Social media				e.g. Social media generates 50% more qualified leads than other channels for customers age 25-35
e.g. Online banner advertisement				
e.g. Print mailers				
e.g. New customer call center				

Table 19: Program Specific Metric consistent across IOUs (Messaging)

Messaging				
Key Messages (tracked per month)	Click through rates	Conversion rates	Avg. order value	Major differences among customer demographics?
e.g. "Save Money"				e.g. Highest conversation rate among senior citizens
e.g. "Go Green"				

Table 20: E-Commerce Best Practice Metrics

Sales	Marketing	Customer Service
Revenue (\$) by source, including deferred T&D	Site traffic (<u>uniques</u> per day, <u>etc</u>)	Count of customer complaints/ inquiries
Avg. order value(\$)	Avg. time spent on site	Avg. resolution time
Margin per order (avg. & range)	Page views per visit	Customer satisfaction (via survey)
Conversion rate %	Traffic source & cost of acquisition	
Shopping cart abandonment	Number of product reviews	Climate
New customer vs. returning sales	Click-through rates	Energy demand reduction (kw)
Product affinity / relationships		Energy savings (kWh)
		GHG reductions

These quarterly reports will serve to provide an update on recent activity; lessons learned and anticipated changes to future activity. We are hopeful that these reports will be the catalyst for ongoing dialog with the DPS on demonstration project implementation. There is much to be learned in this demonstration project which is precisely why it is a “demonstration” project and not simply business as usual.

Section 5: Appendices

A) Glossary

B) Sample Marketing Campaign Matrix

Appendix A: Glossary

BYOT	Bring your own Thermostat
CEC	Community Energy Coordination
CFL	Compact Fluorescent Light
DER	Distributed Energy Resources (includes energy efficiency, DR, DG, etc)
DG	Distributed Generation
DR	Demand Response (also: NYPSC Cases 14-E-0243 and 15-E-0100)
DLDR	Distribution Level Demand Response
EE	Energy Efficiency
EEPS	Energy Efficiency Portfolio Standard
EM&V	Evaluation, Measurement and Verification
ESC	Energy Smart Community
JU	Joint Utilities (includes NYSEG, RG&E, National Grid, Consolidated Edison, Orange & Rockland, Central Hudson)
LED	Light Emitting Diodes
NWA	Non Wires Alternatives
SEO	Search Engine Optimization
TRM	Technical Resource Manual (for energy efficiency)

Appendix B: Sample Marketing Campaign Matrix to be reviewed and updated prior to each phase of implementation.

First Wave Campaigns	All Residential and Small Commercial Customers - General Campaigns	NWAs - Efficiency and DR focus with platform for future opportunities	Distribution Level Demand Response	Energy Efficiency New Initiatives
Descriptions	General campaigns to all RG&E customers Utilize all existing mass market channels for frequency messaging	Geo-targeted with incentives based on value of deferred projects	Incentives + tests based on envisioned DL DR program	Test customer receptiveness to new EE measures, incentives, cross promotions and distribution channels
	Targeted 1:1 messaging based on segmentation strategy	Geo targeted EE and DR initiatives to offset growth; targeted messaging	Market place will be used for the campaigns/channel for BYOT DL DR program	Marketplace will be used to test effectiveness of new EE measures, incentives and channels
Goal Measurements	Take rate , awareness	kwh/kw targets	Take rate/kw target	kwh, awareness, update against other channels
Channels Channels will be utilized in addition to leveraging existing mass market channels	1. Targeted email campaigns 2. Community Outreach 3. Paid Search 4. SEO 5. Social Ads 6. PR	1. Targeted email campaigns 2. Community Outreach 3. Paid Search 4. SEO 5. Social Ads 6. PR	1. Targeted email campaigns 2. Community Outreach 3. Paid Search 4. SEO 5. Social Ads 6. PR	1. Targeted email campaigns 2. Community Outreach 3. Paid Search 4. SEO 5. Social Ads 6. PR
Products	<ul style="list-style-type: none"> • Nest Learning Thermostat + Honeywell & Ecobee Smart Thermostat Models • Tesla Powerwall • SolarCity Service • EnergySage Service 	<ul style="list-style-type: none"> • Nest Learning Thermostat + Honeywell & Ecobee Smart Thermostat Models • Tesla Powerwall • SolarCity Service • EnergySage Service 	<ul style="list-style-type: none"> • Nest Learning Thermostat + Honeywell & Ecobee Smart Thermostat Models • Tesla Powerwall • HVAC Cycling Service 	<ul style="list-style-type: none"> • Nest Learning Thermostat + Honeywell & Ecobee Smart Thermostat Models Ductless mini splits • Belkin Surge Protector Models • LED Bulbs (Techniart, Cree...) • Furnace / AC Upgrade Service
Customer Test Population	Segment and targeted customer Ongoing campaigns continue to be more refined from initial launch Test approach phases could include: 1. test - target with geo location 2. test - target based on usage/payment history 3. test - online engagement level - data on customers previously targeted email metrics and/or customers who are ebill/online account	50k – customers on circuits Target customers by circuit/type utilizing customer segmentation data	Target customers by circuit Focused on residential customers May be overlap with NWA	Target customers may depend on the test but could include: 1. Segmenting by previous EE participation 2) targeted in parallel with EE program to test comparison channels

Appendix B: Sample Marketing Campaign Matrix (continued)

First Wave Campaigns	All Residential and Small Commercial Customers - General Campaigns	NWAs - Efficiency and DR focus with platform for future opportunities	Distribution Level Demand Response	Energy Efficiency New Initiatives
Information used for Targeted Campaigns	<p>Usage (AVANGRID) - Used to target high users and change in usage for more transactional marketing</p> <p>Payment history (AVANGRID) - Used to determine high users with higher incentive to change</p> <p>Address (AVANGRID) - Location can be used to link with other data, such as house type, age, income level...</p> <p>Landlord revert flag (AVANGRID) - Homeowners are more likely to make changes to their home and usage than tenants</p> <p>Ebill/epay (AVANGRID) - Customers who have already adopted a utility program</p> <p>Auto pay (AVANGRID) - Customers who have already adopted a utility program</p> <p>Email (AVANGRID) – email address, engagement level</p> <p>Online account (AVANGRID) – customers who have utility accounts are more likely to engage with utility programs</p> <p>Customer Propensity research: research on demographics for customers more likely to be interested in EE (AVANGRID)</p> <p>Building characteristics (SE) - Heating Cooling Type, Age of Building, Single/Multifamily</p>	<p>Usage (AVANGRID) - Used to target high users and change in usage for more transactional marketing</p> <p>Payment history (AVANGRID) - Used to determine high users with higher incentive to change</p> <p>Address (AVANGRID) - Location can be used to link with other data, such as house type, age, income level...</p> <p>Landlord revert flag (AVANGRID) - Homeowners are more likely to make changes to their home and usage than tenants</p> <p>Ebill/epay (AVANGRID) - Customers who have already adopted a utility program</p> <p>Auto pay (AVANGRID) - Customers who have already adopted a utility program</p> <p>Email (AVANGRID) – email address, engagement level</p> <p>Online account (AVANGRID) – customers who have utility accounts are more likely to engage with utility programs</p> <p>Customer Propensity research: research on demographics for customers more likely to be interested in EE (AVANGRID)</p> <p>Building characteristics (SE) - Heating Cooling Type, Age of Building, Single/Multifamily</p>	<p>Usage (AVANGRID) - Used to target high users and change in usage for more transactional marketing</p> <p>Payment history (AVANGRID) - Used to determine high users with higher incentive to change</p> <p>Address (AVANGRID) - Location can be used to link with other data, such as house type, age, income level...</p> <p>Landlord revert flag (AVANGRID) - Homeowners are more likely to make changes to their home and usage than tenants</p> <p>Ebill/epay (AVANGRID) - Customers who have already adopted a utility program</p> <p>Auto pay (AVANGRID) - Customers who have already adopted a utility program</p> <p>Email (AVANGRID) – email address, engagement level</p> <p>Online account (AVANGRID) – customers who have utility accounts are more likely to engage with utility programs</p> <p>Customer Propensity research: research on demographics for customers more likely to be interested in EE (AVANGRID)</p> <p>Building characteristics (SE) - Heating Cooling Type, Age of Building, Single/Multifamily</p>	<p>Usage (AVANGRID) - Used to target high users and change in usage for more transactional marketing</p> <p>Payment history (AVANGRID) - Used to determine high users with higher incentive to change</p> <p>Address (AVANGRID) - Location can be used to link with other data, such as house type, age, income level...</p> <p>Landlord revert flag (AVANGRID) - Homeowners are more likely to make changes to their home and usage than tenants</p> <p>Ebill/epay (AVANGRID) - Customers who have already adopted a utility program</p> <p>Auto pay (AVANGRID) - Customers who have already adopted a utility program</p> <p>Email (AVANGRID) – email address, engagement level</p> <p>Online account (AVANGRID) – customers who have utility accounts are more likely to engage with utility programs</p> <p>Customer Propensity research: research on demographics for customers more likely to be interested in EE (AVANGRID)</p> <p>Building characteristics (SE) - Heating Cooling Type, Age of Building, Single/Multifamily</p>
Initial Campaign Launch	Initial campaigns; immediately following Marketplace launch	Campaigns initiated 2Q after launch	Campaigns initiated 2Q after launch	Campaigns can begin 1Q of launch
Measurement of success	Depending on products: <ul style="list-style-type: none"> • Number of products sold • Marketing funnel/Conversion metrics 	<ul style="list-style-type: none"> • Number of products sold • Marketing funnel/Conversion metrics • Rebates redeemed 	<ul style="list-style-type: none"> • Number of load control devices (thermostats, modulets) purchased • Number of rebates redeemed • Number of customers signed up for DL DR programs. 	Depending on products: <ul style="list-style-type: none"> • Number of products sold • Marketing funnel/Conversion metrics • Comparison to other EE programs
Incentives	Depending on products: Sweepstakes / Contests Product Packaging	Depending on products: \$XX rebates / reduced price Sweepstakes / Contests Product Packaging	\$85 rebate May test different incentives	Depending on products: \$XX rebates / reduced price Sweepstakes / Contests Product Packaging