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REV Demonstration Project:  
Connected Homes Platform

2018 Q4 Quarterly Progress Report

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**Dated: January 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.

### 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-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, 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 which was the most successful to date. 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 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 solidifies Con Edison's role as a trusted advisor and market animator. In addition to Checkout, the project team 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.

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

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

## **1.3 ACCOUNTING PROCEDURE ESTABLISHED**

On February 16, 2016, in Case 15-E-0229, Con Edison filed an accounting procedure for the accounting and recovery of all REV demonstration project costs. 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.

## **1.3 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 continued in Q4 2018 to facilitate revenue generation from sponsorship, advertising and increased revenue contribution of Marketplace e-commerce sales.

## **1.4 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 Project partner, 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**

- In cooperation with online retailer lightbulbs.com, the project team launched the innovative Checkout application on the Con Edison Marketplace, with many advantages over the traditional utility store model<sup>1</sup>. This is an upgrade to the existing Storefront application that will shift Con Edison's role from retail competitor to market facilitator, while allowing for a better customer experience for the e-commerce features of Marketplace.
- The project team executed thermostat promotions for Energy Efficiency Day, Black Friday, and the holidays, selling 1,957 units in Q4 and driving 203,528 kWh/year in energy savings.
- Continued promotions for Community Solar and Rooftop solar programs.
- Continued to drive revenue for the project and adoption of home upgrades with sponsored emails from Con Edison partner Sealed.
- Launched Contractor on the Con Edison Marketplace, enabling customers to match with pre-screened installation contractors through an integrated widget.

### **2.2 ACTIVITIES OVERVIEW**

The Project team conducted the test trials for the two customer centered initiatives. Trial results are outlined in Appendix C.

The Project team continued to optimize Marketplace email and advertising campaigns, focusing on driving increased participation and energy savings with e-commerce promotions of lighting and rooftop and community solar.

Overall, revenue performance and customer engagement were also driven by sponsorship opportunities, such as Appliances Connection, and Con Edison partner Sealed for their HomeAdvance program. These approaches were successful and exceeded lead generation expectations. As a result, sponsored email campaigns will continue through Q1 2019.

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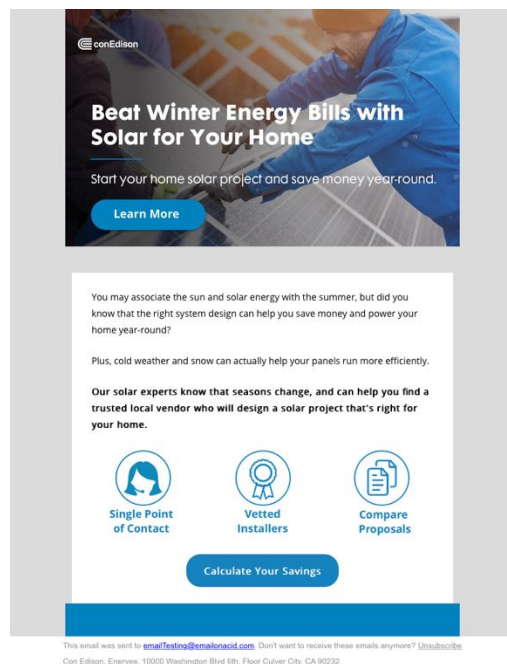
<sup>1</sup> See "AEP Ohio launches Enervee Checkout to offer instant and personalized discounts on energy-saving products" (<http://bit.ly/2SZZ0vA>) and "Check-out Enervee's new Checkout" (<http://bit.ly/2VjoCFM>)

## Marketplace Marketing Initiatives

### Solar Email Campaigns

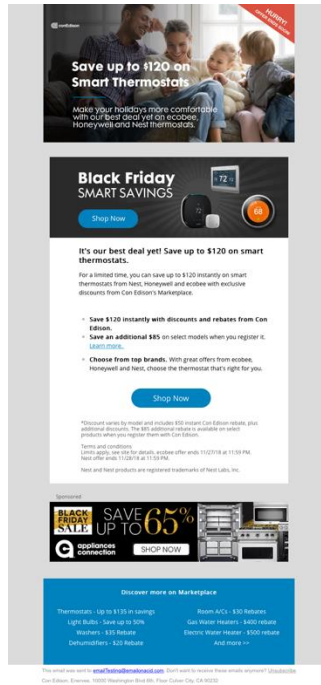
In addition to rooftop, the project team continued to promote the community solar program that was launched in Q3. This allows residents of multi-family homes to participate in off-site solar projects. Since deployment, the program has collected 1,024 leads and 110 completed contracts. In addition to energy savings and greenhouse gas emissions reductions, this also drives lead generation revenue for the project. The project team will continue to promote the program to more residents of NYC through Q1 2019.

The project team also continued promotion of rooftop solar, driving a total of 2,021 leads and 138 sold solar projects to date.



### Black Friday Promotions

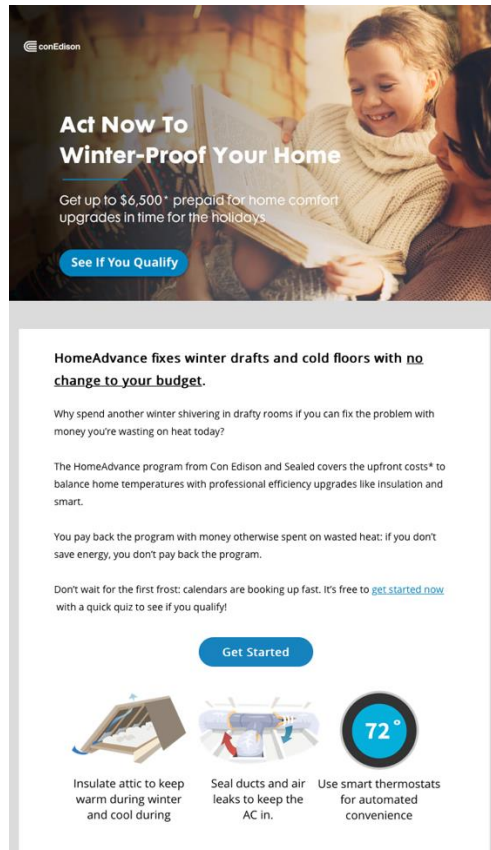
The project team participated in manufacturer sales for thermostats for Black Friday and the holidays. The Black Friday promotion resulted in the sale of 1,400 units. While this was fewer than in Q4 2017, the success of sales earlier in the year meant a 20% increase in the sales of thermostats in 2018 relative to 2017. The emails also contained sponsored ads from Appliances Connection, further driving revenue for the project.



## Sealed Email Promotion:

After the successful initial promotion from Sealed, the project team continued to promote the program through the end of 2018. In Q4, there were 3 promotional campaigns. These campaigns successfully drove 1433 leads. This program has been extended through Q1 of 2019.





Sealed Email December.

## 2.2.1 Key Metrics

In Q4, the Project continued to see significant e-commerce sales, now via the new Checkout application. For additional details on program results to date, see Appendix A: List of Metrics and Results.

### *Marketplace E-Commerce Sales:*

In Q4 2018, the team recorded 1,992 e-commerce orders consisting of 541 light bulbs, 1,957 thermostats and 1 power strip.

### *Digital Customer Engagement:*

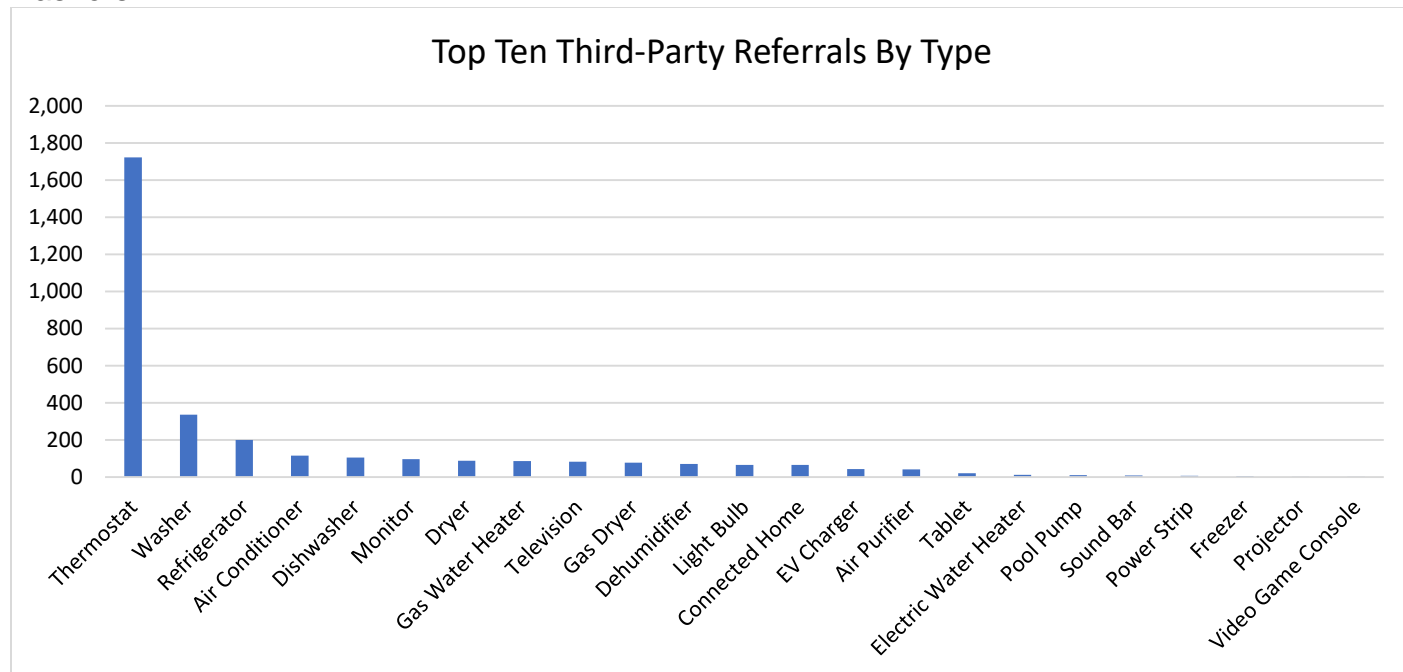
In Q4 2018, Con Edison's Marketplace attracted 182,941 unique visitors and 331,063 sessions, resulting in 493,599 corresponding page views.

The Marketplace was also effective at raising awareness of other Con Edison programs and tracking actions taken by visitors. Since inception through Q4 2018, 18,405 Marketplace visitors have clicked through to Con Edison's large appliance rebate offers, and 28,174 smart thermostat shoppers on Con Edison's Marketplace sought out information on the Smart Thermostat program.

### *DER Market Activation:*

As mentioned above, the project team launched a new e-commerce model in Q4, in partnership with lightbulbs.com, that will benefit both Con Edison and our customers. This model required new technology development by Enervee and the online retailer to enable Con Edison to facilitate online purchase transactions with instant discounts, rather than playing the role of online retailer, in keeping with the REV objective of animating the marketplace and facilitating transactions with third party DER providers.

During Q4 2018, Marketplace customers were directed to third-party appliance retail websites 3,527 times. The most popular Marketplace categories were thermostats and washers.



### *Energy Savings:*

Estimated energy savings associated with Marketplace e-commerce sales in Q4 2018 were 1,407 MWh and 772,695 Therms on a lifetime basis.

### *Greenhouse Gas Emissions Reductions:*

The lifetime energy savings associated with Marketplace e-commerce sales in Q4 2018 will avoid 10,507,132 pounds of carbon dioxide, 31.0 pounds of methane and 2.8 pounds of nitrous oxide emissions. Cumulatively, Marketplace e-commerce sales will cut greenhouse gas emissions by 189,431,275 lb. CO<sub>2</sub>e.

## **2.2.2 Next Quarter Forecast**

In Q1 2019, the team will focus its efforts on channels that maximize energy savings while generating revenue.

Planned Q1 2019 activities for Marketplace include:

Expanding media campaigns for thermostats and lighting to reach new audiences and reduce email list fatigue.

Launch smart power strips as a new rebated category for sale via Checkout.







Continued optimization of paid search and display campaigns to drive rebates and energy savings.

Continued outreach to setup new sponsorship and advertising opportunities for Marketplace.

Continued execution of price drop and flash sales, holiday promotions and cross promotions of products (Cars, Contractor, and Solar).




### 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 August 1, 2018 through December 31, 2019, with a Midpoint 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	
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
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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 Q4:** DER sales were as expected in Q4.

##### **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 Q4:** 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>2</sup>:** 1,275,000 cumulative visits

**As of Q4:** Digital engagement is tracking above expectations, with cumulative visits after five months at 96% of the Midpoint goal.

##### **2.2.4.4 *Revenue Realization***

**Status:** Yellow

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

**As of Q4:** Revenue realization is *below* expectations.

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<sup>2</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.

While revenue for the quarter as a whole expanded (with new sponsorship opportunities and the solar program), total revenues for Q4 (Phase 2 of Project Extension) were not on track to achieve the revised revenue goal, which is more ambitious than the prior goal. The project team had planned to launch additional revenue generating services in Q3 but due to strategic reprioritization these new revenue opportunities have now been planned for 2019.

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

**Status:** Green

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

**As of Q4:** The project is completed. There were 100 participants in the Connected Homes App, and 220 New Yorkers and 200 retailers engaged in the Bright Futures trials.

#### **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 Q4:** Estimated electricity lifetime savings from sales of products in the marketplace are tracking as expected.

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

No changes.

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

#### **2.3.1 Phase Progress**

The team successfully worked through Phase 0 (Project Development) and Phase 1 (Project Launch) and is now working through Phase 2 (Demonstration Implementation) 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 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/Enervue						
1.1.1.1	Track digital and outbound engagement metrics	IN PROGRESS	Enervue						
1.1.1.2	Track energy efficiency savings	IN PROGRESS	Enervue						
1.1.1.3	Report on DER sales and other revenue channels	IN PROGRESS	Enervue						
1.1.1.4	Report on Marketplace Net Promoter Score	IN PROGRESS	Enervue						
1.1.2	Reporting	IN PROGRESS	Con Edison/Enervue						
1.1.2.1	Deliver Quarterly Reports	IN PROGRESS	Con Edison/Enervue						
1.2	Delivery	IN PROGRESS	Enervue						
1.2.1	Maintain, Expand Categories/Incentives & Optimize Marketplace	IN PROGRESS	Enervue						
1.2.2	Community Solar	IN PROGRESS	Enervue						
1.2.3	Bundles products & services such as EV Chargers & insurance/warranties	IN PROGRESS	Enervue						
1.2.4	Expand sponsorship opportunities across all marketing activities	IN PROGRESS	Enervue						
1.2.5	Integrate contractor home services	IN PROGRESS	Enervue						
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/Enervue						
2.3	Optimize Program	IN PROGRESS	Con Edison/Enervue						
2.4	Refine Program Design	IN PROGRESS	Con Edison/Enervue						
2.4.1	Refine DER Categories and Pricing	IN PROGRESS	Con Edison/Enervue						
2.4.2	Optimize Revenue/Benefit Opportunity	IN PROGRESS	Con Edison/Enervue						
In Progress Task									
Not Started Task									
Completed Task									

### 2.3.1.2 Updated Budget

Budget information is being filed confidentially with the Commission.

## 2.4 CONCLUSION

### 2.4.1 Lessons Learned

While the overall number of units of thermostats and lighting units sold in 2018 exceeded sales in 2017, largely driven by successful email campaigns, the project team has identified signs of market saturation among the users on the email list. The team will be shifting strategies to increase outreach through other media channels.

#### **2.4.2 Recommendations**

To continue to grow adoption of energy saving devices and revenue, the project team will be focusing on increasing sales of thermostats and lighting through channels other than email. The team will also focus less on the overall number of visits on the site and awareness, and more on how those visitors behave. The team will seek to drive users towards e-commerce sales, lead generation in solar and contractor, and toward KPIs that indicate market-based energy saving behavior.

The expected addition of rebates for smart power strips in Q1 2019 is a promising step forward in adding new e-commerce categories to Marketplace, and the team will continue to explore adding additional categories and rebates in the future.

Additionally, the project team is planning to place more marketing emphasis on driving adoption of efficient larger appliances, solar and Contractor services.

### **2.5 INCLUDED APPENDICES**

Appendix A: List of Metrics and Results

Appendix B: Description of Phases

Appendix C: Customer Centered Initiatives Trials - Results

## Appendix A: List of Metrics and Results

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q4 2018
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: 2021 leads Community: 949 leads
		Solar sales reported	Number of solar systems sold	Cumulative	Rooftop: 138 contracts sold Community: 117 contracts sold
		Solar installations	Number of solar systems installed/community solar service initiated	Cumulative	Rooftop: 53 installations Community: 4 implementations
Revenue Realization	Total Revenue	Total revenue to Con Edison	Revenue gained	Annually	Actual revenue through Q4 2018 is roughly 44 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): 1,407 (lifetime) Gas savings (Therms): 772,695 (lifetime)
		Reduction in greenhouse gas emissions	Greenhouse gas emissions reduction from product sales from Marketplace e-commerce platform	Quarterly	10,507,132 lbs. CO <sub>2</sub> ; 31.0 lbs. CH <sub>4</sub> ; 2.8 lbs. N <sub>2</sub> O.



## Appendix B: Description of Phases

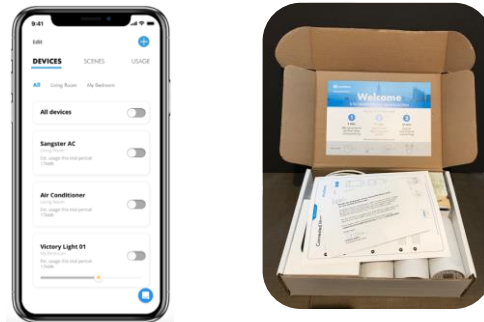
Phase	0. Project Development	1. Project Launch	2. Demonstration Implementation	3. Project Optimization
Milestone (Stage Gate to Next Phase)	<b>Negotiations Complete</b> <ul style="list-style-type: none"> <li>Partner contracts signed</li> <li>DPS approval</li> </ul>	<b>Successful Platform Build:</b> <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</u> new business models</li> <li>Optimize for energy efficiency gains</li> <li>Evaluate response from the two test applications: <u>Meco</u> &amp; Bright Futures</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

## Appendix C: Customer Centered Initiatives Trials - Results

The Project team conducted the trials for the two customer centered initiatives: Connected Homes App & Bright Futures. For Connected Homes App, we engaged with 100 participants to access an app-based energy management tool that controls smart devices and tracks their energy usage. For Bright Futures, the team engaged with 220 customers and 200 retailers to investigate how consumers act on their eco values and whether they choose to interact with a network of sustainable small businesses.

### Connected Homes App Trial:

The project included a series of emails to over 13,680 customers in order to test concept proposition and enlist 100 participants in a 4-week trial that occurred over the summer of 2018. The trial included customers from the following segments: home owners, long term renters, and young renters. Each participant received a kit that included four smart plugs, three smart bulbs, an Apple TV, and an instruction guide. Participants agreed to download the Connected Homes app, set-up devices, create and test different programming modes, track device usage, and participate in surveys.

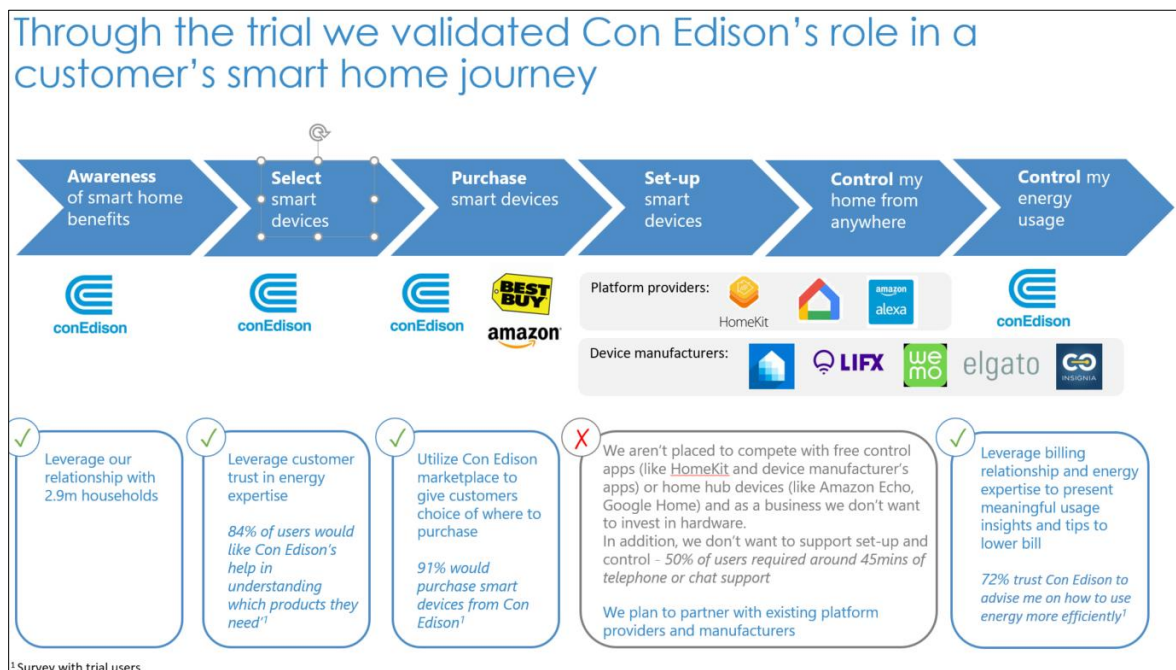
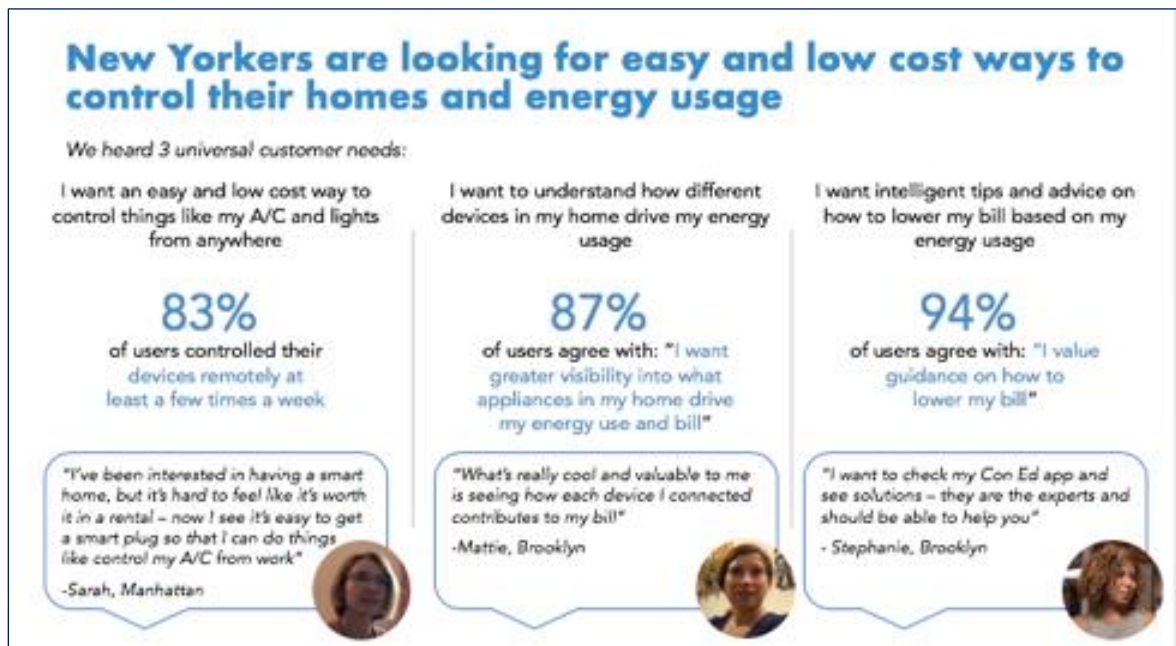


We set up a special customer contact group for participants to communicate with our team via phone, app, and/or email in order to trouble-shoot and provide feedback. For a period of four weeks, participants used their app and devices, responded to weekly surveys, and some were part of one-on-one interviews.

### What we learned through the trial:

New Yorkers are excited by connected home technology available in the market but find it hard to make their homes smarter, perceiving it as expensive, time intensive and often not an option for them as renters. At the same time, they are seeking ways to better understand and manage their energy usage through more tailored guidance that is specific to them. Our live trial with 100 customers proved that Con Edison is well placed to address these needs through a smart home service that helps households better manage their energy usage.

Chart 1 below shows a synthesized insight into the trial and chart 2 provides a validation journey of Con Edison's potential roles:



Con Edison is in a unique position to bring smart plugs and bulbs to its customers by leveraging its energy expertise and relationship with 2.9 million households. Through partnerships with smart device manufacturers and by leveraging data analytics, Con Edison is capable of empowering customers to make informed energy decisions.

As a result of the trial, our proposition is to offer an *Energy Coach* service that uses smart devices to serve intelligent energy insights with customizable tips to help customers better manage their energy usage. This type of service can increase engagement with Con Edison's digital channels and reduce reliance on more expensive customer service channels. It also aligns with our vision of being the "Trusted Energy Advisor" and our brand promise of helping customers make informed choices. After participating in this trial, 72% of the participants said they trust Con Edison to advise them on how to use energy more efficiently.

#### Bright Futures:

During a 5-week trial over the summer of 2018, the team spoke with 220 New Yorkers on the streets and through a virtual focus group. We also engaged with over 200 storefront businesses across New York through interviews, street testing, electronic direct mails (eDM) in order to test concept propositions.

#### What we learned through the trial:

Our trial confirmed that New Yorkers are environmentally-minded; they care about their impact on our city and want to take an active role in protecting the environment. We learned that 75% of New Yorkers want to identify and support energy-efficient businesses; 45% of them will go out of their way to shop at energy-efficient business; and millennials place a premium on brands that are green and that promote social good.

We also learned that small businesses want to appeal to their customers through their energy efficiency and environmental achievements by doing the "right thing." Specifically, 90% of business owners want an Energy Saver badge from Con Edison and are more receptive to the idea of investing in energy efficiency knowing that customers prefer to shop at energy-efficient businesses.



Con Edison is well positioned to help its customer to act on their green values and make informed choices on where they shop and the local businesses they support. Through an Energy Saver badge certification, we'll encourage businesses to save energy in order to get certified. We can leverage our existing Commercial Direct Install (CDI) program to launch and scale the certification. To

qualify for the badge, businesses would need to make energy saving upgrades through the CDI program. By doing that, they can earn certification and earn the Energy Saver badge that can be displayed in their business, added to their website and other platforms. This in turn will drive business appeal to consumers and will induce participation by other similar businesses.

The Con Edison internal teams are in the process of evaluating the project propositions and will make decisions on governance and implementation of such projects.