



REV Demonstration Project:
Building Efficiency Marketplace

2018 2Q Quarterly Progress Report

Dated: July 26, 2018

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1.0 EXECUTIVE SUMMARY

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) submits this quarterly report on the progress of the Building Efficiency Marketplace REV demonstration project (the “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 November 10, 2015, DPS Staff approved the Project. Con Edison filed an implementation plan for the Project with the Commission on November 20, 2015. In Q2 2018, the Company continued the execution of the Project, focusing on customer engagement and documenting customer feedback.

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 will govern how the Company categorizes and allocates the costs of the REV demonstration projects, and will facilitate 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. There are no operational savings to report at this time.

1.5 BUILDING EFFICIENCY MARKETPLACE

The Project is designed to examine how interval meter data analytics can be leveraged to enable targeting and multi-channel engagement of commercial customers with high energy efficiency savings and demand reduction potential. The Project has developed a web-based portal to engage customers with details about how their buildings consume energy today, their potential energy savings and demand reduction opportunities, as well as the Energy Insights Marketplace to streamline connections between customers and energy efficiency market partners. Virtual, automated savings measurement and verification will be provided to customers, giving them visibility into achieved savings and maximizing the likelihood that implemented projects continue to perform over time. Con Edison is implementing the Project with its partner CLEAResult, formerly Retroficiency, a leading provider of data analytics and software solutions to utilities and commercial customers. As of January 1, 2017, Retroficiency merged with and into its sole owner, Ecova, Inc. In January, 2018, CLEAResult acquired Engie Insight, Ecova's utility division, and is now the project partner for the Building Efficiency Marketplace demonstration project.

In Q2 2018, the Project team continued implementation, promoting the Energy Insights Portal ("Portal") and Energy Insights Marketplace to a targeted group of large commercial customers. The Portal allows customers to identify specific measure level recommendations and develop potential projects via the Action Plans page. After developing a project in the Portal, customers will be able to submit their project scopes to Market Partners to elicit project proposals. The Project assumes this level of connection between customers and Market Partners will drive new energy efficiency projects. The Project team will be gathering data throughout the life of the Project to inform this assumption.

2.0 BUILDING EFFICIENCY MARKETPLACE – QUARTERLY PROGRESS

2.1 DEMONSTRATION HIGHLIGHTS

2.1.1 Since Previous Quarter - Major Task Completion

- Customer Engagement
 - Transitioned to high-touch door-to-door outreach
 - Coordinated outreach efforts with behavioral energy efficiency program to streamline customer acquisition
 - Focused on providing technical support to unlock further incentives customers would otherwise have not received
- The Energy Insights Marketplace
 - High-touch approach has yielded deeper efficiency projects (i.e. HVAC)
 - Customers are utilizing the marketplace for multiple properties and projects

2.1.2 Activities Overview

During Q2 2018, the Project team was able to focus on specific customer projects. The Project team continues to use energy data analytics to identify opportunities, develop project scopes, and put the tools in the customers' hands to receive project proposals from Market Partners. After managing the bid process, the Project team is able to leverage the Energy Insights Marketplace to present relevant project documentation to the customers, allowing for side by side comparisons.

2.1.3 Key Metrics

Project Impact

The Project team set a goal of 6.45 Million kWh by EOY 2018. As of Q2 there have been approximately 4.5 Million kWh attributable to the project that are in the marketplace or already completed. This puts the Company on target to meet this goal. One major driver of success has been customers utilizing the marketplace for multiple properties and projects.

Participating Market Partners Engaged in Energy Conservation Measures

As of the end of Q2, there are 154 qualified market partners in the customer portal. Each of these partners is qualified to bid on customer projects. The Company has made efforts to ensure qualified market partners in the portal are aligned with its market partner qualification process through its Manage Energy site.

2.1.4 Next Quarter Forecast

In Q3 2018, the Project team will continue to work with customers to develop projects in the Energy Insights Marketplace. The Project team will track insights gathered through the Energy Insights Marketplace in order to inform new ways of interacting with our customers in the Demonstration Project.

2.1.5 Checkpoints/Milestone Progress

| Checkpoint/Milestone | Timing* | Status |
|-----------------------------------------------------------------------|----------------------------------------------------------------|--------|
| Participating Market Partners Engaged in Energy Conservation Measures | Phase 2 Initial/Midpoint / End | ● ○ ○ |
| Customer and Market Partner Engagement | Phase 1 Midpoint / End Phase 2 Midpoint / End | ● ○ ○ |
| Projects Contracted by Utility Consulting Services | Phase 1 Midpoint / End Phase 2: Midpoint Year 1 /End Year 1 | ○ ● ○ |
| Revenue Realization | Phase 1 End, Phase 2 End of Year 1 | ○ ● ○ |
| Project Impact | Phase 1 End, Phase 2 End of Year 1 | ● ○ ○ |

*Detailed descriptions of the Phases can be found in the Appendices.

Legend

| | | |
|---------------|------------------------------|-----------------------------------------------|
| ● On Schedule | ● Delayed w/out Major Impact | ● Delayed or Stopped – Project Goals Impacted |
|---------------|------------------------------|-----------------------------------------------|

2.1.6 Planned Activities

2.1.6.1 *Participating Market Partners Engaged in Energy Conservation Measures*

Status: Green

Expected Target by Phase 2 Start: 30 market partners engaged

Actual by Phase 2 Start: 65 market partners engaged

Solutions/strategies in case of results below expectations: In line with root-cause analysis, actions may include reassessing target, increasing marketing and outreach efforts, or adjusting monetization strategies to encourage market partner participation.

2.1.6.2 *Customer and Market Partner Engagement*

Status: Green

Expected Target by Phase 1 Midpoint: 6 Customers

Actual by Phase 1 Midpoint: 9 Customers

Solutions/strategies in case of results below expectations: In-line with root-cause analysis, actions may include reassessing target, increasing marketing and outreach efforts, or portal redesign to increase outreach and drive portal awareness along with surveying customers to inform them of other marketing and customer engagement options.

2.1.6.3 *Projects Contracted by Utility Consulting Services*

Status: Yellow

Expected Target by Phase 1 Midpoint: 5 percent under contract

Actual by Phase 1 Midpoint: None so far. This will be revisited Phase 2, Year 1 Midpoint

Solutions/strategies in case of results below expectations: In-line with root-cause analysis, actions may include reassessing target, increased consumer and market partners' outreach to drive portal awareness along with surveying customers to inform them of other marketing and customer engagement options.

2.1.6.4 *Revenue Realization*

Status: Yellow

Expected Target by Phase 1 End: \$177,000

Actual by Phase 1 End: None so far.

Solutions/strategies in case of results below expectations: In-line with root-cause analysis, actions may include assessing and analyzing the number of participants, average Energy Conservation Measure (ECM) project and projected savings, reassessing target, and engagement success. Depending on which area is identified as a limitation, coordinate with partners on best solution.

2.1.6.5 Project Impact

Status: Green

Expected Target by 2018 End: 6.45 Million kWh

Actual by 2018 Midpoint: 4.5 Million kWh

Solutions/strategies in case of results below expectations: In-line with root-cause analysis, actions may include assessing and analyzing number of participants, average ECM project and projected savings, engagement success, reassessing target, and model validation. In addition, review ECM projects for projected versus actual outcomes and re-validate savings potential. Depending on which area is identified as a limitation, coordinate with partners on best solution.

2.2 WORK PLAN & BUDGET REVIEW

2.2.1 Phase Review

2.2.1.1 Phase Progress

The Project team has concluded work in Phase 0 (Demonstration Planning). Phase 0 consisted of Project Management, Configuration of Customer Portal, Marketing Strategy & Planning, Data Integration, and Building Analysis. Phase 1 (Demonstration Implementation) tasks concluded in Q3 2017. Phase 1 tasks included Project Management, Customer and Market Engagement, Customer Portal Configuration, Building Analysis and Reporting, and Marketplace Portal Configuration. Phase 2 (Market Launch) tasks began in Q3 2017.

2.2.2 Work Plan

| Activity No. | Task/Activity Description | Lead | 2015 | | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | |
|--------------|---------------------------------------------------------------|----------------------------|------|----|------|----|----|----|------|----|----|----|------|----|----|----|------|--|
| | | | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | |
| 1.0 | Phase 0 - Demonstration Planning | | | | | | | | | | | | | | | | | |
| 1.1 | Project Management | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.1.1 | Complete Implementation Plan | Con Edison | | | | | | | | | | | | | | | | |
| 1.1.2 | DPS Review | DPS | | | | | | | | | | | | | | | | |
| 1.1.3 | Complete MSA with partner | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.1.4 | Complete SOW with partner | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.1.5 | Marketing Planning | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.1.6 | Monetization Planning | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.1.7 | Engagement Specialist Onboarding | Retroficiency | | | | | | | | | | | | | | | | |
| 1.2 | Customer Portal Configuration | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.2.1 | Software Development (Configuration/Testing/Launch) | Retroficiency | | | | | | | | | | | | | | | | |
| 1.2.2 | Customer Validation and Access | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.2.3 | Internal Stakeholder Training | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.3 | Data Integration | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.3.1 | Define Data Integration Requirements | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.3.2 | Execute Systems/Data Integration | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 1.3.3 | Initial Data Transfer | Con Edison | | | | | | | | | | | | | | | | |
| 1.4 | Building Analysis and Reporting | Retroficiency | | | | | | | | | | | | | | | | |
| 1.4.1 | Conduct/Update Virtual Energy Assessments (VEA) | Retroficiency | | | | | | | | | | | | | | | | |
| 1.4.2 | Post VEA Results | Retroficiency | | | | | | | | | | | | | | | | |
| 2 | Phase 1 - Demonstration Implementation | | | | | | | | | | | | | | | | | |
| 2.1 | Project Management | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 2.2 | Customer and Market Engagement | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 2.2.1 | Execute Marketing Plan/Customer Awareness Campaigns | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 2.2.2 | Customer Engagement Specialist | Retroficiency | | | | | | | | | | | | | | | | |
| 2.2.3 | Monetization Testing | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 2.3 | Customer Portal Configuration | Retroficiency | | | | | | | | | | | | | | | | |
| 2.3.1 | Continuous gathering of requirements for product enhancements | Retroficiency | | | | | | | | | | | | | | | | |
| 2.3.2 | Continuous release of updates | Retroficiency | | | | | | | | | | | | | | | | |
| 2.4 | Building Analysis and Reporting | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 2.4.1 | Ongoing data transfers | Con Edison | | | | | | | | | | | | | | | | |
| 2.4.2 | Ongoing data analysis (VEA) | Retroficiency | | | | | | | | | | | | | | | | |
| 2.4.3 | Ongoing data analysis (M&V) | Retroficiency | | | | | | | | | | | | | | | | |
| 2.5 | Efficiency Project Portal Configuration (Marketplace) | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 2.5.1 | Software Development (Configuration/Testing/Launch) | Retroficiency | | | | | | | | | | | | | | | | |
| 2.5.2 | Market Partner Validation and Access | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 2.5.3 | Internal Stakeholder Training | Retroficiency | | | | | | | | | | | | | | | | |
| 3 | Phase 1 - Demonstration Implementation | | | | | | | | | | | | | | | | | |
| 3.1 | Project Management | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 3.2 | Customer and Market Engagement | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 3.2.1 | Execute Marketing Plan/Customer Awareness Campaigns | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 3.2.2 | Monetization Testing | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 3.3 | Customer Portal Configuration | Retroficiency | | | | | | | | | | | | | | | | |
| 3.3.1 | Continuous gathering of requirements for product enhancements | Retroficiency | | | | | | | | | | | | | | | | |
| 3.3.2 | Continuous release of updates | Retroficiency | | | | | | | | | | | | | | | | |
| 3.4 | Building Analysis and Reporting | Con Edison & Retroficiency | | | | | | | | | | | | | | | | |
| 3.4.1 | Ongoing data transfers | Con Edison | | | | | | | | | | | | | | | | |
| 3.4.2 | Ongoing data analysis (VEA) | Retroficiency | | | | | | | | | | | | | | | | |
| 3.4.3 | Ongoing data analysis (M&V) | Retroficiency | | | | | | | | | | | | | | | | |

= Completed Task
 = In Progress Task
 = Not Started Task
 = New/Modified Task

2.2.3 Updated Budget

Budget information is being filed confidentially with the Commission.

2.3 CONCLUSION

2.3.1 Lessons Learned

The transition to a higher touch approach to customers has shown positive results. Of 74 customers approached, the team was able to perform 12 building surveys. The anecdotal feedback from these customers has been positive of the new approach and they have responded well to the platform analytics being provided. The team is encouraged by this and feels that combining this approach with existing sales efforts will yield even better results.

2.3.2 Recommendations

The team has seen an increase in interest in HVAC project via its high touch approach. This approach will be a focus of the team in the next quarter as it looks to

develop deeper interest in the platform and unlock projects that provide deeper energy savings.

2.4 INCLUDED APPENDICES

The following appendices are included at the end of this Quarterly Progress Report:

Appendix A: Energy Insights Customer Portal – Overview Page

Appendix B: Energy Insights – Action Plan Page

Appendix C: Building Efficiency Marketplace Description of Phases

Appendix A: Energy Insights Portal – Overview Page

conEdison Hi Arch (logout) | Manage Account | Help

Large Office (Highrise) Example 4 Manage property
#9123493995

OVERVIEW USAGE WAYS TO SAVE MY ACTION PLANS

MARCH BILL ANALYSIS

\$28,834.39 ↓ 16% decrease since last year

The primary factor that contributed to these changes in your bill is a:

16% decrease in your consumption

[View usage to get more details](#)

How do we calculate your savings?

SAVE UP TO

\$49,030 /Year

Based on analysis of your consumption, follow our recommendations to save.

[Find Ways to Save](#)

| Total Cost | Cost / Day | Total Usage | Usage / Day |
|------------|------------|-------------|-------------|
| \$28,834 | | | |
| \$27,195 | | | |
| \$34,519 | | | |


Current Bill Last Bill Last Year's Bill


CREATE ENERGY-SAVING ACTION PLANS WITH 1 CLICK

PROPERTY DETAILS

How many floors does your space include?



Appendix B: Energy Insights Portal – Action Plan Page


HI TIM (LOGOUT)

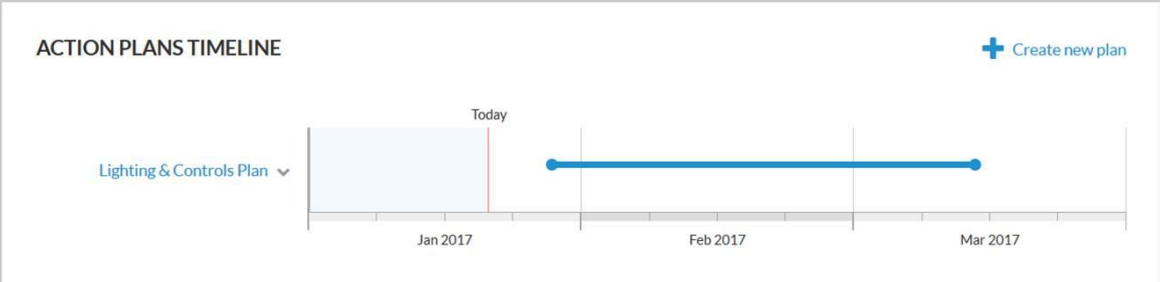

Grocery Store Example - 3 Sample, New York, NY
Unknown Account ID

Manage Property

OVERVIEW
USAGE
WAYS TO SAVE
MY ACTION PLANS








ACTION PLANS TIMELINE + Create new plan



Active Plans +

Lighting & Controls Plan
Planned

| My Actions | Status | Cost | Annual Savings | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Upgrade Existing Lighting Fixtures to High... Advancements in lighting technology are dramatically reducing the amount of power needed to meet illumination standards. Most incandescent, T12, and T8 fixtures can be upgraded to options that reduce energy consumption and improve lighting quality. | Planned | \$30,0... | \$15,000 |   |
| | | Start Date 1/27/17 | Completion Date 2/28/17 | |
| Optimize/Install Lighting Control System Install or optimize lighting control systems to ensure that users are customizing their lighting to meet specific needs. Control methods include occupancy sensors, timers, and photosensors. This is particularly useful in areas with set schedules of occupancy, preventing unnecessary lighting during unoccupied times. | Planned | \$10,0... | \$2,000 |   |
| | | Start Date 1/31/17 | Completion Date 2/28/17 | |

Appendix C: Building Efficiency Marketplace Description of Phases

| Phase | 0. Demonstration Planning | 1. Demonstration Implementation | 2. Market Launch |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Milestone (Stage Gate to Next Phase) | <p><i>Successful Platform Build</i></p> <ul style="list-style-type: none"> • Partner contracts signed • DPS approval • Launch Customer Facing Portal | <p><i>Platform Utilization</i></p> <ul style="list-style-type: none"> • Successful data transfer • Launch of Efficiency Project Portal (Marketplace) | <p><i>Marketplace Participation</i></p> <ul style="list-style-type: none"> • Expansion of Test Population |
| Key Elements | <ul style="list-style-type: none"> • Platform partner contracted • Configuration of Customer Portal • Data Integration • Building Analysis and Reporting | <ul style="list-style-type: none"> • Develop Marketing Plan • Customer and Market Engagement • Configure Efficiency Project Portal (Marketplace) | <ul style="list-style-type: none"> • Test the Customer and Market Responses to Monetization Strategies • Further Configure Efficiency Project Portal to meet the needs of the Customers and Market Partners |
| DER Categories | N/A | <ul style="list-style-type: none"> • Energy Efficiency Measures | <ul style="list-style-type: none"> • Energy Efficiency Measures • Demand Side Management |