



REV Demonstration Project:
Connected Homes Platform

2017 3Q Quarterly Progress Report

Dated: October 27, 2017

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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 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.

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.

1.4 COSTS, BENEFITS, AND OPERATIONAL SAVINGS

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

The program costs are on track as planned and the program has driven significant increases in non-revenue generating benefits, exceeding targets for customer engagement and energy savings. The revenue targets expected at this point in the implementation period were not met. As a result, this quarter, the team leveraged the new Marketplace revenue streams and explored alternative methods of generating revenue, in particular by adding a new DER partner and evaluating adjustments to the business model.

1.5 CONNECTED HOMES PLATFORM

The Project seeks to provide to targeted residential customers in selected areas 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. A set of pre-qualified vendors are being promoted to participating customers through targeted marketing campaigns to demonstrate and evaluate the proof of concept. The targeted marketing campaigns utilize various channels to communicate with customers, including direct and digital, and are administered by Con Edison's partner in the Project, Oracle Utilities.

2.0 CONNECTED HOMES – QUARTERLY PROGRESS

2.1 DEMONSTRATION HIGHLIGHTS

2.1.1 Since Previous Quarter – Major Tasks Completion

Completed negotiations with a new DER partner, Mitsubishi Electric.

Developed and launched a targeted offering campaign for Mitsubishi Electric heat pumps.

Adjusted the Sealed campaign creatives to simplify the design and emphasize comfort benefits.

Added 30,000 new customers to the program to account for normal attrition and to maintain the intended number of participants in the demonstration project.

Launched a new revenue-generating channel on Marketplace (with partner [PickMySolar](#)¹) which provides a guided, seamless experience to empower Con Edison customers to identify the most cost effective and well qualified local solar contractors, walk them through the vendor selection and contracting process, and offer a concierge-type service until installation is complete.

Deployed focused email and Marketplace advertising campaigns focused on increasing Storefront sales volume of lighting and thermostat products.

Expanded the number and models of smart thermostat product offerings to include Nest, Ecobee, Radio, Honeywell, Emerson, LUX, and RCS products. These products are aligned with Con Edison's Smart Thermostat Program.

2.1.2 Activities Overview

In Q3, the team was focused on launching Mitsubishi Electric's targeted offering campaign to 64,000 single-family homeowners within the Brooklyn and Westchester territories. This included co-developing a custom, bi-fold paper insert, two printed marketing modules included on the paper reports and three digital marketing modules included on the digital reports for Mitsubishi Electric home comfort systems².

¹ Enverve established a partnership with PickMySolar in 2017 to provide a solar marketplace that helps Con Edison customers navigate the process of determining which offer is best for them. PickMySolar does not install solar systems, but guides the selection and contracting process to have one of their vetted and trusted solar installer partners (that the customer selects) install the system. PickMySolar helps customers evaluate equipment, financing, and installer options. The detailed research that has already been conducted by PickMySolar is then used by their staff solar experts to help Con Edison customers complete the entire process.

² Mitsubishi Electric home comfort systems are energy efficient ductless heat pump systems used for both heating and cooling.



Mitsubishi Electric Home Comfort Solutions Campaign: Bi-Fold Insert

To maintain the initial number of customers in the demonstration project, the team also added 30,000 new customers in Brooklyn and Westchester. These customers were added to make up for standard customer attrition (e.g., customer move outs and deactivations).

The team also analyzed online customer survey results about the program in Q3 2017. This survey, conducted in Q2 with over 900 participant responses, highlighted customers' strong engagement with the Home Energy Reports and an increase in customer satisfaction and Con Edison brand perception as a result of the Connected Homes project.

The team successfully conducted marketing campaigns to maximize Marketplace site traffic volume and Storefront sales volume. The campaigns, along with an optimized product mix and pricing, resulted in an increase of approximately 160,000 site visits and sales of 36,000 products.

The team also coordinated the launch of the Energy Efficiency Small Business DIY Lighting Pilot program through which the Company projects that 500 customers will receive an offer to redeem LEDs in the Marketplace.

Marketing Initiatives:

Fourth of July Sale: From June 29 to July 8 a special promotion was launched featuring a \$50 price drop for Nest thermostats. The campaign resulted in 539 units sold, with estimated energy savings of 269,973 kWh. This offer was promoted through email and on-Marketplace advertising slots.

conEdison MARKETPLACE

nest
Save up to \$160
With discounts and rebates from Con Edison and Nest (Cue Fireworks)
BUY NOW

This 4th of July, save \$75 on the Nest Learning Thermostat now, plus get an additional \$85 energy rebate when you register it with Con Edison. Hurry, offer good June 29 - July 8, 2017

nest
\$249
-\$75 Instant Savings
-\$85 Con Edison Rebate
\$89*
BUY NOW
Offer ends July 8, 2017

*Get the Lowest Price
Get an additional \$85 rebate when you register your new Nest Thermostat with Con Edison and bring your cost down to only \$89. [Find out how.](#)

More Marketplace Products

Clothes Washers Dishwashers Smart Thermostats
Refrigerators Air Conditioners Advanced Power Strips
Electric Water Heaters Dehumidifiers Lighting

Marketplace Fourth of July Thermostat Sale: Online Promotion

- **\$1 Light Bulb Sale:** From August 30 to September 8, the team promoted three types of LED replacement bulbs (Candelabra, A19, and BR30) that were discounted to the price of \$1 each. The event was promoted through email, display, paid search and remarketing campaigns, and resulted in 29,698 units being sold with estimated energy savings of 1,206,835 kWh.

conEdison

\$1 LEDs
PHILIPS

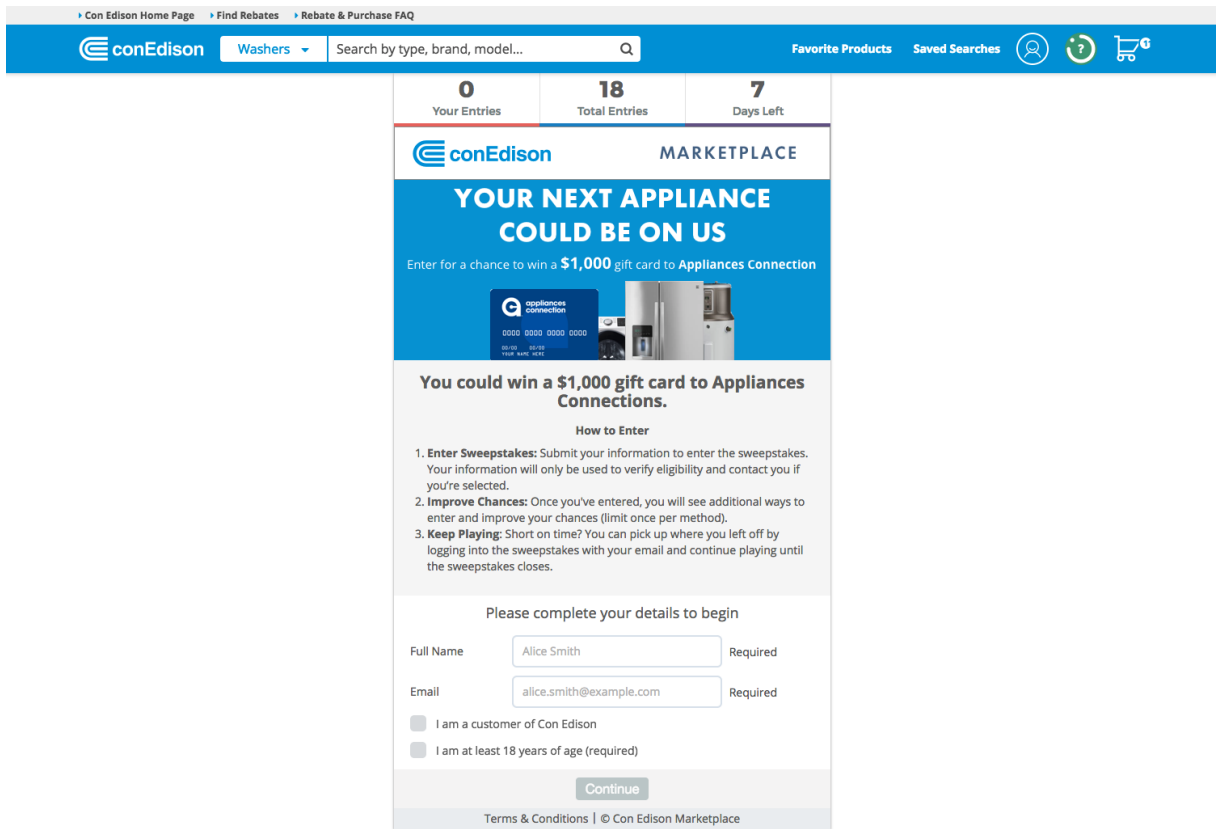
DOLLAR SALE
ENDS FRIDAY

GET YOURS

Exclusively for Con Edison customers.
Limits may apply.

Marketplace \$1 Light Bulb Sale: Display Promotion

Sweepstakes: A sweepstakes focused on promoting appliance rebates was launched at the end of September. This event helped drive significant traffic to the Marketplace and increased the number of Clicks-to-Rebates by 200 percent.



Marketplace Appliance Rebates Sweepstakes: Sweepstakes Pop-up

2.1.3 Key Metrics

In Q3, the Project continued to see increasing product leads and purchases as a result of the DER marketing campaigns. For additional details on program results to date, see Appendix: List of Metrics and Results.

Targeted Offering Communications:

The following communications were sent to customers in Q3:

- Over 775,000 Home Energy Reports: 345,000 print and 430,000 digital
- Over 50,000 digital High Usage Alerts
- Over 73,000 targeted offerings for SunPower solar panels
- Over 38,000 targeted offerings for Sealed home services
- Over 92,000 targeted offerings for Wi-Fi thermostats

- Over 250,000 targeted offerings for the Marketplace

Purchases and Leads:

- Solar Panels:
 - In Q3, the project team recorded 32 qualified solar leads
- Sealed Home Services:
 - In Q3, the project team recorded 28 qualified Sealed leads, nine assessments, one project sale.
- Marketplace Storefront Sales:

In Q3, the team recorded 1,983 Storefront orders consisting of 31,631 light bulbs, 432 thermostats and one power strip. The Marketplace also generated 1,661 leads to Con Edison's Smart Thermostat program. The targeted Storefront campaigns, combined with the optimized product and pricing mix, led to Q3 order volume representing roughly 50 percent of the total order volume since program inception. Similarly, Q3 net revenue accounts for 48 percent of the total net revenue since program inception. Due to the focus on the lower cost and higher volume lightbulbs, 76 percent of total number of units were lightbulbs (successful lightbulb sales).

The project team achieved the DER sales target for the Phase 2 Midpoint. However, the composition of the sales varied from initial expectations in that small, energy-efficient product sales on the Marketplace significantly exceeded initial projections, while large product purchases such as solar panels and home upgrade projects fell short.

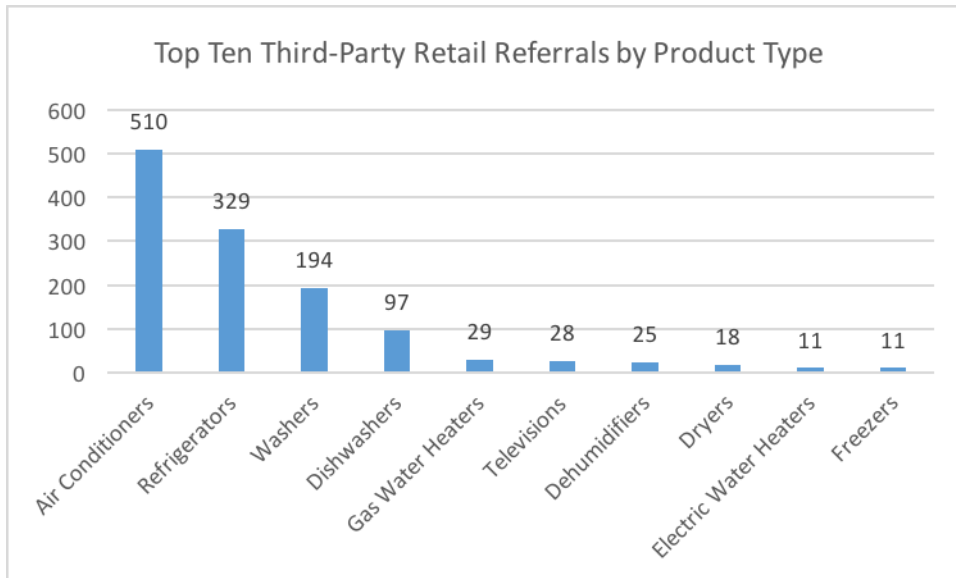
Digital Customer Engagement:

In Q3, Con Edison's Marketplace attracted 128,928 unique visitors, resulting in 435,713 corresponding page views.

The Marketplace is also effective at raising awareness of other Con Edison programs and tracking actions taken by visitors. Since inception through Q3, 7,552 Marketplace visitors have clicked through to Con Edison's large appliance rebate offers, and 6,149 smart thermostat shoppers on Con Edison's Marketplace Storefront sought out information on the Smart Thermostat program.

DER Market Activation:

During Q3, Marketplace customers were directed to third-party appliances retail websites 1,327 times. The most popular Marketplace categories were air conditioners and refrigerators.



Energy Savings:

Since the launch of the behavioral Home Energy Report program, customers have saved over 35,660 MWh of electricity (June 2016 through September 2017). That equates to over \$6.7M in customer bill savings³. In Q3 alone, customers saved over 10,112 MWh with a 1.63 percent average savings rate. These results are significantly above forecasted estimates.

Estimated indirect energy savings associated with Marketplace Storefront sales in Q3 are 16,032 MWh and 415,811 Therms on a lifetime basis.

Greenhouse Gas Emissions Reductions:

The behavioral and indirect energy savings through the Marketplace Storefront are estimated to have avoided 34,814,974 pounds of carbon dioxide, 610.3 pounds of methane and 65.5 pounds of nitrous oxide emissions in Q3. The behavioral program saved an estimated 12,631,831 pounds of carbon dioxide, 249.6 pounds of methane and 28.3 pounds of nitrous oxide emissions. The Marketplace Storefront contributed savings of an estimated 22,183,143 pounds of carbon dioxide, 360.7 pounds of methane and 37.2 pounds of nitrous oxide emissions.

Customer Survey Results

In June of 2017, the team conducted an online survey to gauge customer sentiment towards the program. A total of 917 responses were submitted from customers, representing over a five percent response rate, around industry average.

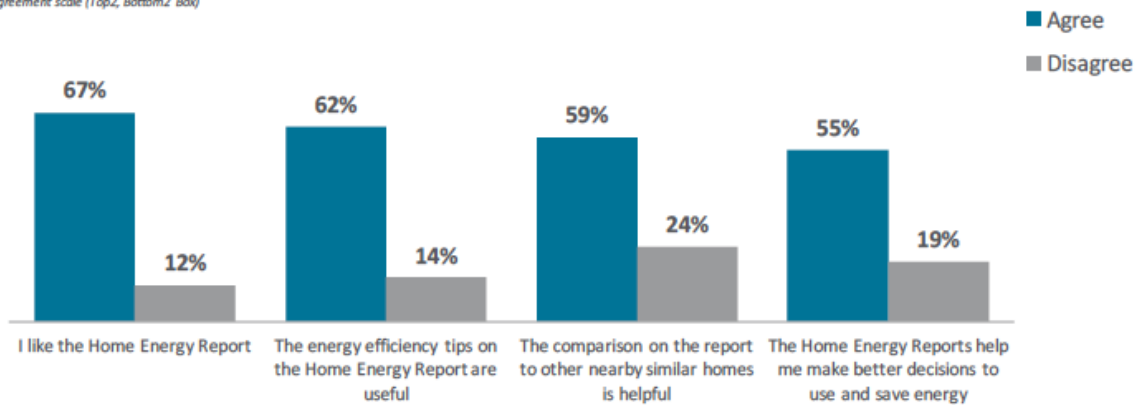
³ Estimated customer bill savings are calculated using the U.S. Energy Information Administration ("EIA") residential price per kWh as of July 2017: 18.82 cents per kWh.

The survey results showed strong customer engagement with the Home Energy Reports, as well as significant gains in customer satisfaction and Con Edison brand perception.

Over 94 percent of customers reported that they read the Home Energy Reports with targeted offers, 41 percent of which read the reports thoroughly. This is significantly above expectations and the Company’s Phase 2 Midpoint target of 50 percent. 39 percent of respondents discussed the report with other members of their household and 33 percent saved the report for reference at a later time. Both of these metrics are above the average responses from customers at other utilities with behavioral energy efficiency Home Energy Report programs.

Home Energy Report Reception

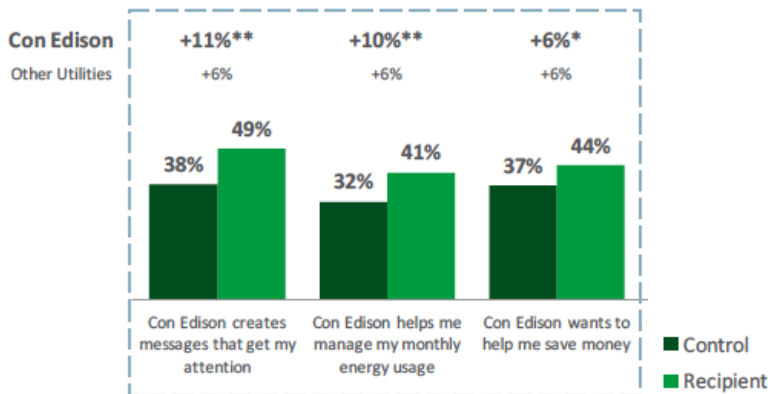
502 recalling and reading Home Energy Report recipient; weighted
5pt. agreement scale (Top2, Bottom2 Box)



Customers receiving these reports were also significantly more likely to believe that Con Edison created messaging that caught their attention, wants to help them manage their monthly energy usage, and wants to help them save money.

Impact on Brand Perceptions of Con Edison

571 Home Energy Report recipients; 275 Home Energy Report controls; weighted
5pt. agreement scale; Top2 Box



Over half of customer respondents said that the reports motivated them to reduce their energy usage. In addition to motivating customers to save energy, the targeted offering reports also inspired customers to take an action related to DER services –

whether that was signing up for a consultation, purchasing a product, planning to complete an initial questionnaire or going online to learn more.

2.1.4 Next Quarter Forecast

The team will continue to analyze results of campaigns and utilize findings to help shape the 2018 program design. The team will finalize the 2018 promotional schedule in December and revise any creatives, as needed.

The team will continue to run the home services, heat pumps, smart thermostats and Marketplace promotions throughout the next quarter. The solar panel offers will launch again in the spring of 2018.

Planned Q4 activities for Marketplace include:






Continued execution of price drop, flash sales, holiday promotions, and cross promotion of products. The goal is to increase customer engagement, energy savings, sales and revenue generation.

Continued optimization of paid search and display campaigns to drive rebates and energy savings, in addition to sales.

Adding educational and energy saving content in email campaigns to reduce list fatigue on email campaigns.

Launching marketing campaign to promote the new solar experience on the Marketplace through various venues, including targeted emails.




Checkpoints/Milestone Progress

Checkpoint/Milestone	Timing*	Status
DER Sales	Phase 2 Midpoint / End	
Channel and Messaging Effectiveness: <i>Customer Motivation</i>	Phase 2 Midpoint / End	
Digital Engagement: <i>Integrated Online Experience</i>	Phase 3 start + 6 months	
Revenue Realization: <i>New Business Models</i>	Phase 2 Midpoint / End	
Demand Side Management: <i>Customer Co-Benefits</i>	Phase 2 Midpoint / End	

Checkpoint/Milestone	Timing*	Status
Referrals to Energy Efficiency Rebate Programs	Phase 2 Midpoint / End	○ ● ○

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

Legend

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

2.1.5.1 DER Sales

Status: Green

Expected Target by Phase 2 Midpoint: 18,500 purchases

As of Q3: DER sales are *above expectations*.

2.1.5.2 Channel and Messaging Effectiveness: Customer Motivation

Status: Green

Expected Target by Phase 2 Midpoint: 50 percent recall rates; 16 percent open rates; 2.5 percent click through rates

As of Q3: Messaging effectiveness is *above expectations*.

2.1.5.3 Digital Engagement - Integrated Online Experience

Status: Green

Expected Target by Phase 2 Midpoint: 70,000 unique visitors each 6-month period

As of Q3: Digital engagement is *above expectations*.

2.1.5.4 Revenue Realization: New Business Models

Status: Yellow

Expected Target by Phase 2 Midpoint: \$484,000

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

The project began promoting DER targeted offers in August 2016, but marketing efforts for the Marketplace were not ramped up until the spring of 2017. The team was cautious with the types of communications sent to customers and the channels utilized to market the offerings, which limited the frequency and extent of marketing efforts. Additionally, prices of e-commerce products have been maintained at a competitive level resulting in relatively small margins.

The team is confident in the ability to achieve revenue goals within the Marketplace through adjusted marketing campaigns and pricing, new products and services, and new third-party partnerships, as the data indicates the Phase 2 Midpoint target would have been met if full marketing efforts had been in place since program inception.

Revenue generation from high-value DERs (solar and home services) has been a challenge due to the limited geographies targeted for this component of the project. These DER products and services were only offered to a subset of customers within the Brooklyn and Westchester areas of the service territory. As the team learned, a significant portion of customers were disqualified from solar installations and in home consultations in Brooklyn due to faulty or shaded roofs and housing structure.

Among other strategies, the project team is evaluating adjustments to the current business model and considering additional DER solutions suitable for the targeted population in order to increase revenues.

2.1.5.5 Demand Side Management: Customer Co-Benefits

Status: Green

Expected Target by Phase 2 Midpoint: 500 MWh (Marketplace Storefront); 10,300 MWh (behavioral energy efficiency); 2.74 MW (behavioral energy efficiency); 5 percent lift in program participation

As of Q3: Demand side management co-benefits are *above expectations*.

2.1.5.6 Referrals to Energy Efficiency Rebate Programs

Status: Yellow

Expected Target by Phase 2 Midpoint: 10,300 click-throughs from Marketplace to large appliance rebate applications

As of Q3: Referrals to energy efficiency rebate programs are *below expectations*.

For the majority of the project to date, marketing initiatives were dedicated on driving customers towards e-commerce sales (LEDs and smart thermostats). Going forward, the team will optimize a mix of marketing campaigns, and allocate resources towards energy efficiency appliance rebates.

2.1.6 Changes to Project Design

The team added a new DER, Mitsubishi Electric, to the project in Q3 2017. In addition to solar, home services, smart thermostats and small energy efficiency products on the Marketplace, customers within the demonstration project may now also be eligible for heat pump promotions from Con Edison on behalf of this new partner.

The team will also modify the content and mix of marketing campaigns, to ensure sufficient focus on achieving the revenue generation and energy efficiency rebates Endpoint targets.

2.2 WORK PLAN & BUDGET REVIEW

2.2.1 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 a Request for Information (“RFI”) process as the Phase 3 Work Plan tasks suggests, Con Edison supported NYSERDA with the development of an online platform, REV Connect. This platform allows DERs 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 formality in the DER recruitment process is suitable for potential third-party engagement. Nonetheless, a new DER partner, Mitsubishi Electric, was added to the program through an informal referral this quarter, and other DERs have become involved with the online Marketplace (e.g., PickMySolar).

A full description of the major Project phases is set forth in Appendix D: Description of Phases.

2.2.1.1 Updated Work Plan

Demonstration Project - Connected Homes Platform					2015		2016				2017				2018	
Activity No.	Activity Description	Status	Lead		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1.0	Phase 0 - Project Development															
1.1	Project Management	COMPLETE	Con Edison													
1.1.1	Complete Implementation Plan	COMPLETE	Con Edison													
1.1.2	DPS review	COMPLETE	DPS													
1.2	Complete partner negotiations	COMPLETE	Con Edison													
1.2.1	Complete MSA with platform partner	COMPLETE	Con Edison/Opower													
1.2.1.1	Complete SOW with platform partner	COMPLETE	Con Edison/Opower													
1.2.1.2	Contract negotiations w/ DER partners	COMPLETE	Con Edison													
1.2.1.3	Define contact center solutions	COMPLETE	Con Edison													
2.0	Phase 1 - Project Launch															
2.1	Platform Configuration	COMPLETE	Con Edison/Opower													
2.1.1	Data acquisition	COMPLETE	Con Edison/Opower													
2.1.1.1	Complete historical data transfer	COMPLETE	Opower													
2.1.1.2	Configure and load historical and parcel data and prepare automatic data	COMPLETE	Opower													
2.1.1.3	Incorporate third party and DER data	COMPLETE	Opower													
2.1.2	Program design and configuration	COMPLETE	Con Edison/Opower													
2.1.2.1	Finalize marketing, branding, and content materials	COMPLETE	Con Edison/Opower													
2.1.2.2	Define customer segmentation strategy and configure application	COMPLETE	Opower													
2.1.3	Implement Web, Marketplace, and Call Center tools	COMPLETE	Con Edison/Partners													
2.1.3.1	Configure Marketplace	COMPLETE	Enervee													
2.1.3.2	Configure Web Portal	COMPLETE	Opower													
2.1.3.3	Contact Center Integration	COMPLETE	Con Edison													
2.1.4	Quality assurance testing and go live	COMPLETE	Con Edison/Opower													
2.1.4.1	Conduct QA testing and receive final sign off	COMPLETE	Opower													
2.1.4.2	Customer service training	COMPLETE	Con Edison/Opower													
2.1.4.3	Deploy Web, Marketplace, print and mail Home Energy Reports	COMPLETE	Opower													
2.2	Ongoing Customer & Community Outreach	COMPLETE	Con Edison													
3.0	Phase 2 - Demonstration Implementation															
3.1	Project Management	IN PROGRESS	Con Edison													
3.1.1	Track program metrics	IN PROGRESS	Con Edison/Partners													
3.1.1.1	Track digital and outbound engagement metrics	IN PROGRESS	Opower/Enervee													
3.1.1.2	Track energy efficiency savings	IN PROGRESS	Opower													
3.1.1.3	Report on DER sales	IN PROGRESS	DER Partners													
3.1.1.4	Conduct customer survey	IN PROGRESS	Opower													
3.1.2	Reporting and Evaluation	IN PROGRESS	Con Edison													
3.1.2.1	Deliver Quarterly Reports	IN PROGRESS	All													
3.1.2.2	Annual workshop with stakeholders	IN PROGRESS	All													
3.2	Delivery	IN PROGRESS	Con Edison/Partners													
3.2.1	Deliver core content to customers	IN PROGRESS	Con Edison/Partners													
3.2.1.1	Maintain Marketplace and Web Portal	IN PROGRESS	Opower/Enervee													
3.2.1.2	Maintain contact center solutions	IN PROGRESS	Con Edison													
3.2.1.3	Deliver outbound content	IN PROGRESS	Opower													
3.2.2	Phase in additional web functionality	IN PROGRESS	Con Edison/Partners													
3.2.2.1	Additional appliance categories integration for Marketplace	COMPLETE	Enervee													
3.2.2.2	Marketplace launch Storefront and retailer API functionalities	COMPLETE	Enervee													
3.2.2.3	Implement Single-Sign-On	COMPLETE	Opower													
3.2.3	Launch DER targeted promotional messaging	COMPLETE	Con Edison/Partners													
3.2.3.1	DER program design and configuration	COMPLETE	DER Partners/Opower													
3.2.3.2	Deploy web, print and email-based promotions	COMPLETE	Opower													
3.2.3.3	Maintain contact center solutions for new customers	COMPLETE	Con Edison													
3.3	Ongoing Customer & Community Outreach	IN PROGRESS	Con Edison													
4.0	Phase 3 - Project Optimization															
4.1	Project Management	NOT STARTED	Con Edison													
4.1.1	Evaluate project rollout	NOT STARTED	Con Edison													
4.2	Implement competitive bidding	NOT STARTED	Con Edison													
4.2.1	Conduct RFI for additional DER partners	NOT STARTED	Con Edison													
4.2.1.1	Establish qualification criteria for DER partners	NOT STARTED	Con Edison													
4.2.1.2	Prepare RFI for additional DER partners	NOT STARTED	Con Edison													
4.2.1.3	Qualify potential additional DER partners	NOT STARTED	Con Edison													
4.2.1.4	Complete contract negotiations with additional DER partners	NOT STARTED	Con Edison													
4.3	Optimize Program	NOT STARTED	Con Edison/Partners													
4.3.1	Refine Program Design	NOT STARTED	Con Edison/Partners													
4.3.1.1	Refine DER Categories and Pricing	NOT STARTED	All													
4.3.1.2	Optimize Revenue/Benefit Opportunity	NOT STARTED	All													

Legend: Green = Complete, Blue = In Progress, Black = Not Started

2.2.1.2 Updated Budget

Budget information is being filed confidentially with the Commission.

2.3 CONCLUSION

2.3.1 Lessons Learned

A combination of marketing campaigns is required so all REV Demo traffic, revenue, and energy efficiency/rebate targets are achieved. An ongoing mix of campaigns must be established, including e-commerce-oriented email promotions, promotions to leverage the new Marketplace Solar revenue generation channel, and broader digital media campaigns designed to drive traffic and clicks-to-rebates.

The team has also learned that while the Home Energy Reports have succeeded in generating significant energy savings and engagement for customers in Brooklyn and Westchester, revenue realization for large scale products promoted through the program is much more challenging given the product eligibility requirements and characteristics of customers and housing types in these areas.

2.3.2 Recommendations

Building on the success of DER sales, messaging effectiveness, digital customer engagement and energy savings, the team will continue to target customers with relevant offers and opportunities to engage with Con Edison and DERs through this program.

The team will work with the DER partners over the coming months to update any creatives – copy and graphics - for the targeted offering campaigns to avoid customer fatigue of repetitive messaging.

In Q4 and subsequent quarters, the team will also use a mix of email, sweepstakes and other digital channels on a regular (bi-weekly) and scheduled basis to take advantage of seasonal events. The mix will be adjusted dynamically to continue to exceed site traffic and sales volume targets, with additional focus on revenue generation (through the new Solar Marketplace lead generation channel, third-party advertising, and Storefront e-commerce sales) and clicks to large appliance rebates targets.

2.4 INCLUDED APPENDICES


Appendix A: Sample Revised Targeted Offering Paper Report for Mitsubishi Electric Home Comfort Solutions

Appendix B: Sample Revised Targeted Offering for Digital Report for Sealed Home Services

Appendix C: List of Metrics and Results

Appendix D: Description of Phases

Appendix A: Sample Revised Targeted Offering Paper Report for Mitsubishi Electric Home Comfort Solutions



conEdison
4 Irving Place, New York, NY 10003

Home Energy Report

September 28, 2017
Reference number
Account number X

We've put together this report to help you understand your energy use and what you can do to save. To view more of your energy insights, visit energyreports.conEd.com. If you have any questions about these reports you can contact us at 1-212-460-4738 or energyreports@conEd.com.

Find a list of rebates and energy-saving products and services you can buy.
▶ marketplace.conEd.com


Here's how you compare to neighbors

Efficient Neighbors	<div style="background-color: #70C040; height: 15px; width: 25%;"></div> 352 kWh	<div style="background-color: #D9D9D9; padding: 10px; border: 1px solid #0070C0;"> <p>! You're using more than your neighbors.</p> </div> <div style="background-color: #D9D9D9; padding: 10px; border: 1px solid #0070C0; margin-top: 5px;"> <p>37% more energy than average neighbors</p> </div>
Average Neighbors	<div style="background-color: #808080; height: 15px; width: 45%;"></div> 662 kWh	
You	<div style="background-color: #0070C0; height: 15px; width: 65%;"></div> 894 kWh	

Aug 30, 2017 - Sep 28, 2017

This is based on 100 similar homes within approximately 3 miles. Efficient neighbors are the 20% who use the least amount of energy. See back for details.


Upgrade your family's comfort




Make every day more comfortable

Zoned Comfort Solutions™ from Mitsubishi Electric automatically filter out large amounts of dust, bacteria, allergens, and other harmful contaminants, so everyone can breathe in cleaner air and stay happy and healthy. And with whisper-quiet performance, you won't even know it's there.


Plus, you can save up to \$500 with distributor-funded rebates through November 3.




Schedule an in-home consultation now at mitsubishicomfort.com/nebu.



Tips from efficient neighbors



Shave a minute off shower time
Save up to \$15 per year




Maintain your heating system
Save up to \$105 per year

Turn over →

Appendix B: Sample Revised Targeted Offering for Digital Report for Sealed Home Services


Your house is leaking



If you use more energy than average, chances are your home is leaking heat and cold air.

Sealed will tell you why your house is losing energy, and deliver solutions to fix it. You'll be more comfortable and use less energy. Your savings help pay for the project—guaranteed!

→ Call **888-985-7481** or visit **sealed.com/ConEdison** to schedule a no-cost consultation with Sealed today.



Appendix C: List of Metrics and Results

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q3 2017 (not cumulative)
DER Sales: Market Animation and Customer Choice & Digital Engagement: Integrated Online Experience	Awareness	Customers aware of DER partners	Response to customer survey questions about awareness of DER offerings in Con Edison's territory	Annually	94%
		Total number of impressions	Total number of paper and digital communications sent to customers	Quarterly	825,258 total print and digital communications were sent to customers. 345,008 of those communications were printed, and 480,250 were emailed.
		Open rates (Email Home Energy Reports)	Percent of customers who open email Home Energy Reports (eHERs)	Quarterly	On average, customers opened eHERs at a rate of 40 percent.
		Open rates (High Usage Alerts)	Percent of customers who open High Usage Alerts (HUAs)	Quarterly	On average, customers opened HUAs at a rate of 34 percent.
		Click through rates (eHERs)	Percent of customers who click on the link/s included in eHERs	Quarterly	On average, customers clicked-through from eHERs at a rate of 1.73 percent.
		Click through rates (HUAs)	Percent of customers who click on the link/s included in HUAs	Quarterly	On average, the click-through rate was 1.72 percent.
		Unique web visits	Number of unique customers who visit the web portal	Quarterly	The Marketplace had 128,928 unique visits.
	Leads and Acquisitions	Qualified solar leads generated	Number of qualified leads from the targeted offerings	Quarterly	32 qualified solar leads.

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q3 2017 (not cumulative)
		Solar installations reported	Number of installations	Quarterly	0 solar installations.
		Thermostats sold	Number of thermostats sold through the targeted offerings	Quarterly	432 thermostats sold.
		Recipients and controls	Number of leads and acquisitions among recipient customers and control customers	Quarterly	To be reported in Q4 2017.
Channel and Messaging Effectiveness: Customer Motivation	Partners	DER partners retained	Percent of DER partners who choose to continue with the targeted offerings	Annually	100%
	Customers	Positive customer experience	Percent of customers who respond positively to survey questions on their satisfaction with targeted offerings	Annually	67%
Revenue Realization	Total Revenue	Total revenue to Con Edison	Revenue gained through targeted offerings	Annually	16% of high value DER revenue projections and 46% of Marketplace revenue projections.
Demand Side Management: Customer Co-Benefits	Energy / Demand / Benefits	Energy efficiency savings	Energy savings generated by customers as a result of participating in the behavioral program	Monthly	10,112 MWh total in Q3: 3,600 MWh in July, 3,317 MWh in August, 3,195 MWh in September.
		Demand savings (MW)	Demand savings generated by customers as a result of participating in the program	Monthly	13.7 total MW in Q3: 4.8 MW in July, 4.5 MW in August, and 4.4 MW in September.

Checkpoint	Category	Metric	Definition	Reporting Cadence	Results for Q3 2017 (not cumulative)
		Indirect energy savings (Marketplace Storefront sales)	Total kWh savings from product sales from the Marketplace Storefront	Quarterly	Electric savings: 16,032 MWh, Gas savings: 415,811 Therms
		Reduction in greenhouse gas emissions	Greenhouse gas emissions reduction from product sales from Marketplace Storefront and the Behavioral Program	Quarterly	34,814,974 lbs total CO2, 610.3 lbs total CH4, 65.5 lbs total N20 from both the Marketplace Storefront and Behavioral Program: Behavioral: 12,631,831 lbs CO2; 249.6 lbs CH4; 28.3 lbs N20. Marketplace Storefront: 22,183,143 lbs CO2; 360.7 lbs CH4; 37.2 lbs N20.

Appendix D: Description of Phases

Phase	0. Product Management	1. Project Launch	2. Demonstration Implementation	3. Project Optimization
Milestone (Stage Gate to Next Phase)	<i>Negotiations Complete</i> <ul style="list-style-type: none"> • Partner contracts signed • DPS approval 	<i>Successful Platform Build</i> <ul style="list-style-type: none"> • Attract vendors in key categories • Successful data transfer 	<i>Platform Utilization</i> <ul style="list-style-type: none"> • Click through rates • Qualified leads • Contact center volume • Vendor retention • Customer satisfaction 	<i>Revenue Realization</i> <ul style="list-style-type: none"> • Revenue per source • Customer satisfaction • Vendor retention
Key Elements	<ul style="list-style-type: none"> • Platform provider contracted • DER providers signed-on 	<ul style="list-style-type: none"> • Develop platform • End-to-end testing • Contact center training • Program go-live 	Evaluate response of specific audiences to <ul style="list-style-type: none"> • DER combinations • Channels • Messages 	<ul style="list-style-type: none"> • Learn how to leverage more granular customer data • Optimize profit by refining categories and pricing • Optimize for energy efficiency gains
DER Categories	N/A	N/A	<ul style="list-style-type: none"> • Rooftop solar • Home energy efficiency audits • Smart thermostats 	<ul style="list-style-type: none"> • Further expansion of DER products and providers • Expand to ESCOs