

Orange & Rockland REV Demonstration Project: Customer Engagement Marketplace Platform

Q3 2018 REPORT

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Q3 2018 Report

1.0 Executive Summary

Orange and Rockland Utilities, Inc. (O&R or Company) submits this quarterly report on the progress of the demonstration 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 (NYPSC or the Commission) on February 26, 2015.

This demonstration project, known as the Customer Engagement Marketplace Platform (CEMP), was designed to build partnerships with a network of third-party product and service providers to help increase customer awareness and education of energy consumption, motivate customers to participate in O&R programs, increase distribution and adoption of Distributed Energy Resources (DER) and develop new revenue streams for O&R and its partners.

The beginning of 2016 was the official launch of the My ORU Store offering a selection of Wi-Fi thermostats. Since then additional energy savings products have been added to the store ranging from LED lights, advanced power strips, connected home and water-energy saving devices. By mid-year, the offerings expanded beyond the sale of products to include no cost in-home energy assessments, as well as a variety of fixed-priced services provided by local contractors in the community. Weekly messaging highlighted new product introductions, seasonal promotions and limited time offers (LTO). Efforts to build awareness of the My ORU Store continued throughout the year and in Q4 the team included media buys in radio and digital advertising to promote the holiday shopping season.

In 2017, the focus shifted beyond building the product assortment and brand awareness, to furthering customer engagement through more targeted messaging. Post-transaction engagement strategies were designed and implemented to solicit feedback and design customized messaging. June marked the beginning of a unique collaboration with O&R and Suez Water NY (Suez) designed to help customers save water and energy while lowering their utility bills. Added incentives for mutual customers on water saving products were made available by Suez on the My ORU Store. By Q3, large appliances were introduced and home services were marketed to customers with comfort and cost-savings in mind. The fourth quarter was the My ORU Store's busiest holiday selling season since program launch. Dozens of new products in a variety of categories were introduced to customers along with numerous promotions and manufacturer discounts. The comprehensive marketing campaigns, included email, digital, social, print and radio, helped drive customers to the My ORU Store.

The start of 2018 was met with strong sales in January and February. Messaging shifted from a focus on promotions and holiday sales to one of product education and energy efficiency. Two of the largest outreach events of the year occurred this quarter which helped introduce new customers to the marketplace. A storm-filled March negatively impacted traffic and sales, but the project team was able to adapt with appropriate messaging.

In the second quarter of 2018, seasonal offers and limited time promotions helped drive sales in some of the key product categories. Growing partnerships with third party vendors provided an expansion of the product mix and allowed for more discounted pricing and promotional offers to stimulate customer interest and increase purchases. A more robust marketing plan with an integrated approach provided a broad reach to a larger audience of customers. Additional educational content about energy use during the warm summer months continued to drive engagement in the My ORU Advisor behavioral platform.

The third quarter began as a celebration of the 4th of July with extra savings on thermostats. The My ORU Store continued to offer seasonal limited time offers throughout the quarter with a back to school sale in August and a flash lighting sale during Labor Day weekend. By Q3, Level 2 EV chargers were introduced on the store to align with state goals for EV adoption. The project team continues to use an integrated marketing approach to optimize reach through a variety of touchpoints in an effort to build awareness and drive transactions on the My ORU Store.

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 REV demonstration projects includes specific protections related to cybersecurity and PII. Assurance of this protection is critical in encouraging customers to sign up for new and innovative services offered by utilities.

2.0 Demonstration Highlights

2.1 Major Tasks Completed

- Launch of Additional Products and Services
- Seasonal Promotions/Limited Time Offers
- My ORU Advisor
- Suez Water
- Marketing Strategies
- Customer Insights

2.2 Activities Overview

Launch of Additional Products and Services

The product assortment on the My ORU Store increased 5% in Q3 of 2018 over the prior quarter with the launch of new items spanning multiple categories. Some of the new products included an efficient showerhead, a line of Alexa-enabled Echo devices from Amazon, a new manufacturer

providing connected home devices, as well as the introduction of another category to the store; EV chargers. At nearly 200 items available to customers, the My ORU Store provides something suitable to meet the changing needs of our customers.

Niagara Conservation's Sava Spa Showerhead offers the look of luxury and performance with the benefits of energy and water saving. This showerhead features an oversized spray head for wide coverage and a patented pressure compensator that ensures a consistent flow while conserving water. Stacked rebates are offered to mutual customers of both O&R and Suez NY, the local water utility.

Amazon's line of Alexa-controlled Echo devices continues to expand its music, smart-home, and digital-assistant abilities. Initially launched as a wireless speaker, Echo products have increased capabilities that will work with other smart home devices such as cameras, lights, TVs, fans, thermostats, garages, sprinklers, etc. Prices range from \$49 to \$299, for the Echo Dot and the Echo Show with full video functionality. The variety in features and price points give customers the opportunity to create a customized smart home ecosystem at a price they can afford.

In the connected home category, the Notion Smart Home Monitoring Kit was added during Q3. This multi-use sensor allows a customer to monitor their home from their smartphone for water leaks, open doors, smoke/carbon monoxide alarms and more. Notion sensors provide customers with the peace of mind that their home is safe and secure even while they are away. (Appendix A).

Four residential Level 2 EV chargers are available to customers in 40 or 75 AMPS, with plug-in or hardwire options from manufacturers like JuiceBox, ClipperCreek and AeroEnvironment. These chargers are outdoor rated, voice controlled, fully ruggedized and portable. They feature smart home connectivity, advanced Wi-Fi controls and smart grid functionality. To help customers understand the difference between the models, an EV charger buyer guide was added to make comparing products easier (Appendix A).

Seasonal Promotions and Limited Time Offers (LTOs)

Third quarter was filled with summer holidays, including Independence Day, Back to School and Labor Day weekend. Specific My ORU Store promotions and limited time offers aligned with these events to help maximize sales and adoption of energy efficient product offerings.

In order to better align the 4th of July promotional opportunity to energy efficiency and support thermostat savings goals, the My ORU Store marketed discounts on the Nest Learning Thermostat (3rd Gen), Nest Thermostat E and Nest Hello Doorbell. In addition to the manufacturer discount, customers also received a free Google Home Mini with their purchase. The attractive price point and gift with purchase, or "GWP", helped increase units sold in the thermostat category by 18% compared to prior year. (Appendix B)

In mid-August a “Back to School” campaign ran with sale prices on specialty LEDs, smart plugs and Wi-Fi thermostats. These deals were focused on products that bring convenience and efficiency to a home, office or dorm. This campaign was designed with the intention of replicating the success of the 2-day flash sale held last year for the solar eclipse. Our performance in 2017 supported the strategy of using short-term offers to cultivate a sense of urgency and prompt engagement by customers. While this campaign focused on seasonal back-to-school messaging, the promoted products were relevant to a broader audience. (Appendix B)

With the success of previous lighting flash sales, the My ORU Store promoted a limited time offer (LTO) of \$1/per bulb on 9w LEDs over a six-day period which included Labor Day weekend. This LTO helped increase sales revenue for the store by five times from last year. When compared to a previous LED sale in Q2, this specific offer generated 11% more units that month, driving a 33% increase over Q2 and 87% over last year. (Appendix B)

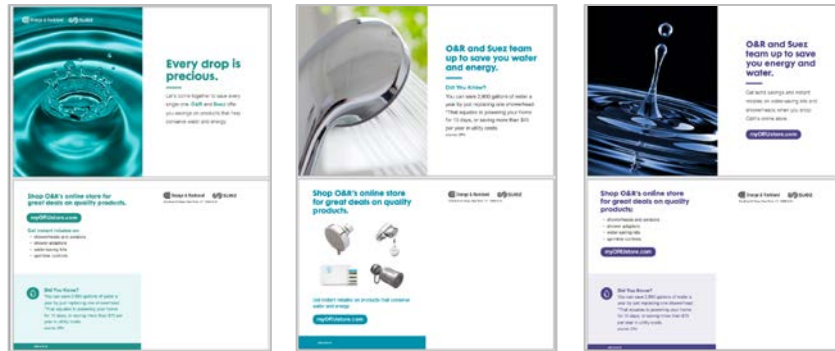
My ORU Advisor

The My ORU Store continues to play an integral role in customer energy education. This quarter there have been more than 2,000 tips completed, over 75 home profiles completed and more than 80 reward redemptions.

Much like store communications, Advisor messaging also had a seasonal focus. One campaign educated customers on thermostat settings during the most intense cooling season. While many customers seem aware that using a programmable thermostat can help save energy, research has found that there is less clarity among customers on how to program the thermostat and what temperatures are best to schedule it for different times of the day. This campaign aimed to eliminate confusion by providing customers an example of what an efficient temperature schedule could look like during the summer. Other summertime messaging included themes such as a vacation efficiency checklist, using fans to keep cool, and the importance of air conditioner filter maintenance. (Appendix C)

SUEZ

Our partnership with SUEZ Water NY continues to strengthen as members of both project teams attend ongoing strategy sessions to discuss initiatives on the My ORU Store as well as the progress of the Suez Conserve program. Joint efforts are coordinated to achieve water and energy savings goals and increase sales of these measures. To get a better understanding of our mutual customers, the ORYou Exchange customer advisory panel was tasked with evaluating several postcard designs that featured both companies and promoted water and energy saving products available on the My ORU Store. Customers were presented with three versions and were asked to vote on the one they felt was most impactful.



Postcard 1

Postcard 2

Postcard 3

Through meaningful feedback provided by customers, the project team learned that many customers were concerned with saving water and conserving energy. As a result, they found the showerhead postcard to be the most motivating. Some customers were aware of the ability to purchase water-saving products, though most were not familiar with the products and rebates available. Other overall findings included:

- Many members liked the design because of the simplicity of the information provided.
- The information presented was easy to understand, and provided enough detail without being overwhelming.
- Members mentioned that the showerhead image was sleek, adding to the clean design of the card.

The project team will incorporate this feedback in to the design of a new postcard that will be mailed to mutual SUEZ and O&R customers at a later date. (Appendix D)

Marketing Strategies

Paid advertising

The project team continues to use an integrated marketing approach to optimize reach and minimize spending. As part of a larger strategy to raise awareness, paid advertising was in market this quarter through search engine marketing and social media.

The strategy for search engine marketing or “SEM” is an “always on” approach. SEM is used all year-long to promote the store through paid advertisements that appear on search engine results pages. Advertisers bid on keywords that customers might enter when searching for products and services. This gives the advertiser the opportunity for their ads to appear alongside results for those search queries. Our media agency works on improving this ever-changing list of short and long-tail keyword phrases to improve metric performance. Terms like “LED lighting” and “smart thermostat” are examples of phrases our agency bids on to serve sponsored results for the My ORU Store.

On Facebook sponsored posts reinforced messaging around key seasonal sales periods Independence Day, Back to School and Labor Day. For July, the free Google Home Mini promotion was promoted through July 8th while a back to school ad ran in mid-August to align with a flash sale running on the My ORU Store. Over Labor Day weekend a sponsored post promoted the LED limited time. Many of these ads were effective in bringing visitors to the store. When compared to Q3 2017, there was a 5,076% increase in users, which generated 6,109% more sessions and 13% more page views from Facebook members. (Appendix E) Organic posts on Orange & Rockland social media accounts were also deployed as a complement to the paid activity executed by the advertising agency.

Other Marketing Initiatives

To reach a broad base of customers, particularly those without email, O&R utilized direct mail to raise awareness. During the third quarter, The My ORU Store was featured in two monthly bill inserts promoting Sealed home services. The first insert was sent to customers in July with an offer for an extra \$100 in upgrades to qualified customers if they signed up by the deadline. The theme of the insert stressed the importance of weatherization upgrades to prevent cool air loss during the summer. In a second insert delivered to customers in September, those who qualified could receive a free Smart Home Starter Kit with their HomeAdvance upgrade package. Both bill inserts were used to supplement email marketing efforts in order to reach an audience that may not be as digitally connected. (Appendix F)

The project team utilized internal communications to keep the My ORU Store top of mind to all O&R employees, whether in the field or in an office. Any exciting promotions are publicized by corporate communications to company employees. This quarter, an LED lighting flash sale was marketed through internal video message boards and an email blast. (Appendix G)

The project team also uses external emails as a way to promote the store to those customers who may not be subscribed specifically to the My ORU Store email list. In Q3, corporate communications sent out an email promoting the Sealed HomeAdvance program, which performed well with an open rate of 21% and a 12% click-to-open (CTO) rate, as compared to industry benchmarks of 24% for open and 4.8% CTO rates. (Appendix G)

Events

O&R participated in a number of outreach events in order to educate customers on energy efficiency and build awareness of the products and services offered on the My ORU Store. The third quarter began with several community events in July, including the Nyack Street Fair and South Orange YMCA 5k Color Run. Members of the project team were on hand to discuss ways to save energy at home and discuss the products and services available on the My ORU Store.

In August, Orange & Rockland's Customer Energy Services department began their multi-game sponsorship with the Rockland Boulders, an independent Can-Am baseball league, at Palisades

Credit Union Park in Pomona, New York. The department tabled five games in August and September with additional sponsorship opportunities, including a digital banner, a print banner along the first base line, a 30 sec broadcasted Public Service Announcement (PSA), and O&R related trivia questions announced during games. This high traffic venue was well attended by Rockland and Orange county residents and provided great visibility of the store with local residents.



Project Team at Rockland Boulders

In September, six outreach events took place across the service territory. Several of these events celebrated the diverse nature of our customer base, such as, the Hudson Valley Fiesta Latina festival, Rockland County Office of Aging Senior Citizen Picnic and the Women’s Wellness Expo. Community outreach allows the project team to have direct one-on-one conversations with our customers. The team enjoys educating them about what the My ORU Store has to offer and soliciting feedback on what products and services they would like to see included on the marketplace.

Customer Insights

The ORYou Exchange is Orange & Rockland’s online advisory panel. This online community gives O&R and Rockland Electric (RECO) customers the opportunity to provide their feedback and opinions on all things pertaining to O&R/RECO and the energy industry. Customers participate in surveys and forum discussions, which allow the project team to gain insight on their needs and preferences as it relates to the My ORU Store. The platform allows for gamification, with participants earning rewards for completed activities. When they provide input, they earn points that can be redeemed for gift cards. The more a customer participates, the more points they will accumulate.

In the third quarter, a survey activity was fielded to members of the panel to better understand the customer experience when navigating the current offering of home services on O&R's marketplace. Below are some of the results from that survey:

- Many members have not used the services offered through the My ORU Store
- Many explain that these types of services are currently provided to them by another company, or know someone who can provide the service for less money
- Those who have used the services on the site mention the HomeAdvance Energy Audit most often as this service helps them learn about energy usage and saving money
- Services that offer rebate incentives tend to be the most interesting to members, as they are always looking for ways to lower their energy bills

When customers were surveyed about which services they would be interested in seeing on the store in the future, members mentioned the following:

- Installation and set-up of smart home devices
- Solar panel installations
- Installation of water-saving appliances
- Optional installation of any purchased products that may require it
- Help with installing/reinstalling insulation

In a follow-up survey, panel members were asked to provide feedback on Sealed audits. Results indicated that many customers were unaware of the free Home Energy Audit and Home Advance Comfort Package programs offered through the store. They expect that their participation in the audit will help them save money and find information on the Comfort Package relatively easy to understand, however, there was some confusion about funds for making the recommended upgrades.

Those who felt the information about the Home Advance Comfort Package was unclear expressed confusion regarding the funds that paid for the recommended upgrades. Customers were unsure of the savings and what the upfront cost would be. Based on this feedback, the project team has begun to edit language on the product page and in marketing communications to make it clearer and easier for customers to understand.

3.0 Key Metrics

Third quarter sales outperformed last year with a 6% increase in gross product retail sales and a 180% increase in units sold. When compared to Q2 2018, gross revenue from product sales

increased 9% and units were up 129%. The category that drove most of this increase was LED lighting which was 20% above prior year in retail dollars and 62% in units, primarily due to the LED flash sale over Labor Day weekend.

More and more customers are visiting the My ORU Store each year. Website analytics of users, new users, sessions and page views were all up exponentially when compared to Q3 2017. New users accounted for 80% of all website visitors this quarter, demonstrating that our advertising initiatives, marketing efforts and outreach events are increasing awareness and bringing additional customers to the website. Sessions to the store have gone up 60% along with page visits seeing an increase of 39% more views.

The primary source of traffic to the My ORU Store in the third quarter was from Direct search accounting for 31% of all users. Direct traffic is defined as users visiting the site by typing a website address directly into their browser and/or clicking on a bookmark. Direct users, this quarter, also had the highest ecommerce conversion rate at 4.25% and generated the most revenue. The second highest performing channel for the store was Email. Email communications contributed to 27% of all users to the store. Weekly email communications drove more sessions or site visits than any other channel in the quarter. Referral traffic has increased in Q3, accounting for 19% of users and is now ranked the third most influential acquisition channel year to date. Referral traffic is considered the number of visits that came to the website from sources outside of a search engine. When someone clicks on a hyperlink to go to a new page on a different website, Google Analytics tracks the click as a referral visit to the second site. Referral traffic can be used as an indicator of which external sources are most valuable. The top referrer as it relates to the My ORU Store is O&R's website, which generated 74% of all referral traffic.

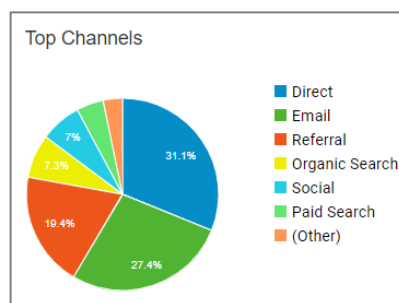


Chart: Q3 2018 Acquisition Channels

A key audience demographic is the breakdown of New Visitors vs. Returning Visitors. New visitors are seen as people coming to the site for the first time from a specific device. If someone visited the website within the past two years and later returns from the same device, they are flagged as a Returning Visitor. The ratio of new visitors to returning visitors shows effectiveness of inbound digital marketing techniques across the web. New visitor metrics are increasing year over year with 80.5% of visitors flagged as new, a 74.5% increase compared to Q3 2017. This is an indication that that marketing efforts and promotions are continuing to drive brand awareness to the marketplace and entice new customers to visit.

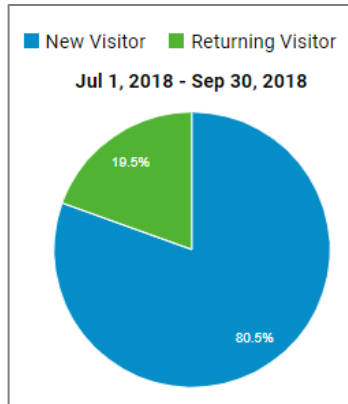


Chart: Q3 2018 New vs. Returning Visitors

Looking at analytics on an hourly level allows the project team to analyze trends that occur over time. This information helps plan events, such as flash deals, based on these metrics. For the third quarter, there were two key days when traffic was driven to the store, Tuesdays and Thursdays. Those metrics align with when emails were sent to customers about My ORU Advisor and My ORU Store, respectively. The most common time of day visited by users on the store was 10am EST which coincides with the time emails were distributed. This validates the importance of capturing a customer’s interest immediately from the subject line and enticing them to purchase right away. Otherwise, the likelihood they will return to shop decreases over time.

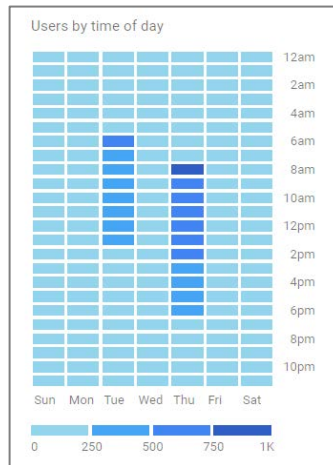


Chart: Q3 2018 Users by Time of Day

Third quarter unit volume for the store was driven by services at 57%, followed by lighting at 31%, and smart thermostats at 5%. In terms of retail sales, the lighting category generated 53% of the revenue, followed by thermostats at 35%, and connected home with 6%. This represented a 161% increase in revenue for the lighting category when compared to a year ago. The primary driver of this was the hundreds of LED lights sold as a result of the LTO during Labor Day weekend.

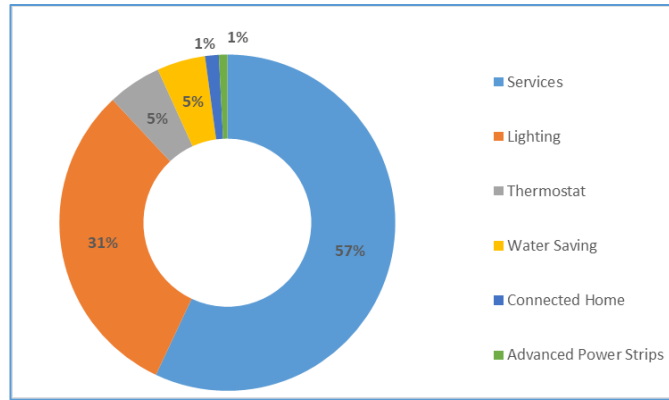


Chart: Q3 2018 Category Sales by Unit

A key strategic objective of the project team last quarter was to enhance the O&R website with more reference points to the My ORU Store. The added visibility increased website traffic and drove increased transactions in both products and services. Referral traffic from the oru.com website increased 134% over Q3 2017 and contributed to 233% more transactions.

The high usage residential customers participating in the My ORU Advisor behavioral pilot were responsible for more than 26,000 logins to the online Advisor portal since the launch in 2016. To date, customers have redeemed nearly 600 rewards, earned over 13,000 badges and completed nearly 3,300 home profiles. Email engagement remained strong as click and click-to-open rates trended above industry benchmarks, demonstrating that consumers continue to actively seek out information about energy efficiency and saving money.

3.1 My ORU Store Metrics

My ORU Store		
Ecommerce Metrics	Q3	% Var LY
Sessions	24,429	60%
Users	17,654	76%
New Users	81%	6%
Page Views	58,041	39%
Transactions	768	169%
Units Sold	957	135%
Conversion Rate	3.1%	69%

My ORU Store		
Email Performance	Q3	IA*
Email Open Rates	30.3%	18.3%
Email Click Rates	1.6%	1.6%
Email Click to Open Rates	5.4%	8.0%

* Industry average (IA) -2016 Epsilon Email Benchmarks - Retail Specialty Category

My ORU Store		
Savings Metrics	Q2	YTD
kWh	65,273	120,045
kW	22.2	34.3
Therms	3,724	6,737
Rebate dollars paid	\$6,110	\$11,282
Total # of Rebates paid	420	702

* Quarterly savings are analyzed and reported in the following quarter

My ORU Store		
Product Categories	% Total Sales Units Q3	% Total Sales Revenue Q3
Advanced Power Strips	0.8%	0.4%
Connected Home	1.3%	1.9%
LED Lighting	31.0%	17.0%
Home Services	57.0%	68.0%
Outdoor Living/Other	0.0%	0.0%
Wi-Fi Thermostats	5.2%	11.4%
Water Saving Devices	4.7%	1.4%
Window A/C Control	0.0%	0.0%

My ORU Store		
Visits by Channel %	Q3	% YTD
Email	34.3%	33.8%
Direct	27.3%	18.7%
Referral	18.6%	14.4%
Organic Search	6.9%	5.4%
Paid	3.8%	23.3%
Social/Other	9.0%	4.4%

3.2 My ORU Advisor Metrics

My ORU Advisor		
Ecommerce Metrics	Q3	YTD
Tips	2,255	8,974
Badges Earned	0	1,772
Home Profile Completed	76	491
Reward Redemption	81	201
Unsubscribes	154	754

Due to technical difficulties O&R's vendor could not provide Login and Unique Login metrics for Q3 2018, as previously reported. Once data has been verified, this chart will be updated to include both metrics in Q4 2018.

My ORU Advisor		
Visits by Channel %	Q3	% YTD
Email	86.5%	84.4%
Direct	6.8%	7.6%
Referral	3.8%	1.8%
Organic Search	0.9%	1.6%
Other	2.0%	4.7%

3.3 Demand Response Metrics

To date, smart thermostats purchased from the MY ORU Store represent 11% of the total enrollments in O&R's Bring Your Own Thermostat Program (BYOT), with 278 customers connecting 336 smart thermostats. The energy savings from these Wi-Fi thermostats represent up to 278 kW of demand reduction when a load reduction event is called.

Demand Response/BYOT		
Metrics	Q3	PTD*
# of Customers Enrolled	6	278
# of Connected Devices	6	336
kW Savings	6	278
* Program to Date (original launch October 2015)		

4.0 Strategic Objectives

The project team continually evaluates the productivity of the My ORU Store's assortment to ensure that the offerings on the marketplace meet the changing needs of the O&R customers. As the growing trend of smart homes continue, many of the new products introduced this

quarter provide connectivity and control through voice enabling technology. In an effort to increase energy savings, the team has added another water saving product and began sourcing other measures in the technical resource manual (TRM), such as dehumidifiers, as suitable additions to the My ORU Store offering.

Promotions were implemented in Q3 to coincide with seasonality and recognizable retail holidays such as Fourth of July, Back to School and Labor Day. The team concentrated on growing sales in the lighting category, as well as generating interest in the home energy audit and Home Advance Comfort Package. LTOs of specific LED styles helped to boost sales in a struggling category and based on the success of the promotional campaign, the team plans to implement a similar strategy next quarter with advanced power strips.

New marketing initiatives were deployed to promote the variety of Level 2 electric vehicle (EV) chargers recently added to the marketplace. Buyer guides were added to educate customers about the selection of EV chargers currently available on the My ORU Store. Increased awareness and adoption of EVs is a company-wide initiative in support of New York State's renewable energy goals. The project team is leveraging the My ORU Store platform and its existing customer relationships to make progress on energy efficiency and transportation electrification necessary to achieve the state's greenhouse gas reduction targets. Plans to educate customers on the benefits of plug-in Electric Vehicles (PEV) and incentivizing EV chargers already available on the marketplace will be key to facilitate adoption. Approved funding from the NYSERDA PON will help support many of the upcoming initiatives with regard to electric vehicles.

The project team continues to survey customers through the ORYou Exchange, Orange & Rockland's online customer advisory committee. The members on the panel continually provide valuable insight and learnings which has allowed the project team to better understand their needs and preferences. By engaging with participants through various discussions and exercises, perceptions regarding marketing efforts, brand attitudes, and product offerings become actionable insights.

The project team is still in the process of developing a solar experience that would educate customers about solar and enable them to connect with qualified providers in the area. The project is still in development but the platform would allow customers to compare a variety of solar offers and choose the one that fits their needs and budget. The enrollment process would be streamlined and automated for all parties, including customer, utility and solar developer. This type of platform expansion would further position O&R and the My ORU Store as a trusted energy advisor for its customers.

An expanded marketing plan went into effect in the third quarter to increase interest for the Sealed HomeAdvance Energy Audit and Comfort Package offers. In addition to featured emails from the My ORU Store, the HomeAdvance offer has been promoted through marketplace modules; O&R emails, bill inserts, Facebook posts, and additional links from the O&R website.

This approach has already increased visibility and generated hundreds of prospects a month. The project team will continue to partner with Sealed to promote in home services through a variety of marketing mediums.

5.0 Checkpoints/Milestone Progress

Checkpoint *	Projected Date	Completion Date	Progress Status
Marketplace Launch	1/15/2016	2/2/2016	
Add Additional Products	2/5/2016	3/30/2016	
Add Fixed Price Services	2/5/2016	6/29/2016	
Marketplace Quarterly Check in	3/22/2016	5/1/2016	
Launch HERs and Engagement Platform	5/7/2016	6/12/2016	
Add Variable Priced Services	4/1/2016	In Progress	

* These timelines are pending and subject to change as the program evolves

Complete In Progress Delayed

6.0 Work Plan & Budget Review

The project team continues to evaluate customer and contractor interest with variable priced home services. The work flow process for integrating this on the My ORU Store is still in development. The project teams are working to develop an enhanced web platform that would accommodate additional third party providers to include fixed priced EV charger installations with electricians as well as other non-fixed priced home services.

6.1 Expected Changes

Phase	2015		2016												2017												2018				
	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September								
Phase 0: Implementation - Design and develop program components																															
Phase 1: Launch – Implement marketplace with limited offerings																															
Phase 2: Category Expansion – integrate data analytics and implement complete line of product and offerings.																															
Phase 3: Decision on Project Expansion – evaluate program performance to determine next steps.																															
Phase 4: Revenue Optimization – streamline product and service line to maximize revenue opportunities.																															
Phase 5: AMI Integration – upon implementation of AMI evaluate rate design plans for peak time rebates, TOU analytics, integrate TOU enrollment.																															
Project Schedule - Ongoing																															
Completed																															

The rollout of AMI in Rockland County is in progress and, to date, 57,252 gas and 80,106 electric smart meters have been installed in the O&R service territory. Data will be available for integration with the marketplace at a later date.

6.2 Challenges

- There is very low referral traffic directly from the Suez Conserve website – seems many Suez customers have not made the connection to shop on the My ORU Store to get both utility rebates on water saving measures
- Difficulty keeping product pricing competitive with the larger retailers selling the same items
- Although new users are on the rise, there is a challenge to keep repeat customers returning to the My ORU Store to both browse and shop for products and services
- Vendor delays in implementing platform enhancements related to solar and home services have shifted original target launch dates
- Reduced rebate levels in the advanced power strip category (APS) continue to stagnate this once thriving product category
- Difficulty improving conversion rates for Sealed services due to the limitations of the platform design for the home services category
- Sales are slow if new products are not specifically marketed, as seen with addition of EV chargers to the website
- While attention grabbing, connected home products struggle to result in sales despite a variety of marketing approaches

7.0 Work Plan & Budget Review

Actual costs to date will be filed confidentially and concurrently with the filing of this document.

7.1 Phase Review

The program has met most key milestones described in the work plan exhibited in previous reports.

7.2 Updated Budget

The program is still currently running under budget due to lower than projected payroll expenses resulting from positions remaining vacant for longer than anticipated. All positions have been filled with permanent employees as of August 2017.

7.3 Lessons Learned

- The additional links added to the company website (oru.com) proved to stimulate website traffic and drive transactions as seen in the metric reporting for Q3. (37% increase in users Q2 vs. Q3) Based on these results, the project team is working with Oracle to include marketplace links and references whenever possible under the “My Account” bill presentment for customers with AMI
- Customers are highly motivated by price - LTOs or flash sales are very effective in driving transactions and repeat customers
- The vanity URL created for Sealed to redirect customers to the co-branded virtual audit page has proven successful in increasing lead generation for the home energy audits and comfort package programs (62% of YTD lead prospects were generated in Q3)
- Separate corporate communications sent for the free home audit helped generate site traffic and lead to higher conversion rates (21% open rate vs. 24% industry average from email sent in September)
- New products launched on the My ORU Store need to be marketed in order to drive awareness and sales
- The ORYou Exchange has proven to be a valuable resource to soliciting candid feedback from O&R customers about a variety of topics relating to the My ORU Store
- The marketplace has been referenced in outgoing direct mail engagement materials from AMI which has helped drive direct search traffic to the My ORU Store (Direct search represented 31% of all users)
- Higher priced point items take multiple touchpoints to lead to ecommerce conversions. Specifically connected home products require repetitive marketing to lead to results as this category underperformed despite multiple marketing initiatives.
- Testing a new O&R branded Sealed landing page proved successful at improving conversion rates from 8% to 29% in Q3. Conversion rate from store only email in July was 8%, but when using the vanity URL, conversion rose to 28% in September.

7.4 Recommendations

The project team suggests the following recommendations:

- Continue to work with Simple Energy to develop website functionality enhancements that will improve the overall customer shopping experience
- Continue to create internal and external initiatives designed to obtain email addresses that can be used to send communications about the My ORU Store
- Determine strategies to increase referral traffic to the My ORU Store from the oru.com and Suez conserve websites; ensure that marketplace links are added to “My Account” to drive traffic
- Pursue more manufacturer rebate opportunities to help lower costs for customers
- Deploy automated email campaigns around items that require more touchpoints, such as connected home products
- Opportunity to leverage the price consistency that Nest maintains among all retailers for their products; layer on instant rebates and sale promotions when possible to make the My ORU Store more competitively priced
- Create loyalty campaigns and/or rewards to entice repeat customers throughout the year and not just during the holiday season (last year December dollars were offered to customers who purchased only on Black Friday)
- Conduct an audit of the Suez conserve website and provide recommendations for cross promotion of the My ORU Store and the mutual rebates offered; add more links to the Suez website to increase referral traffic
- Continue to collaborate with cross-functional teams in support of EV and solar initiatives

8.0 Appendix

Appendix A: New Product Launch

Monitor your home with the world's smartest sensor. [See how? Click here.](#)

Orange & Rockland STORE

Notion Sensors
Help You Stay Safe, Sound and Efficient.
[SHOP NOW](#)

Monitor Your Home With Notion
Be sure your home is secure and running efficiently with Notion — the #1 IoT use device that detects water leaks, open doors, temperature and more.

Now only \$149!

[Secure Your Home](#)

Water Leaks
Know where they are and when they occur before things get out of hand.
Notion sensors detect water leaks from sinks, bathtubs, toilets and nearby pipes and send you a notification right away.
[Reduce Water Risk](#)

Get notified when the power goes out. [See how? Click here.](#)

Orange & Rockland STORE

CHARGE UP @ HOME
[SHOP EV CHARGERS](#)

We've got your home charging needs covered with electric vehicle chargers — now available on my ORL Store.

And, in celebration of Citrus Electric week, we're offering an extra \$25 off JuiceBox Pro 40 and JuiceBox Pro 75 EV Chargers. Hurry, this offer ends 8/31/20!

Smart charging stations automatically adjust to provide only as much power as your electric vehicle is able to accept. And, they let you control your station remotely from your smartphone or tablet.

[See \\$10 Value](#)

JuiceBox Pro 40 EV Charging Station SALE — \$25 OFF

- Charges 50% faster than Level 1 charging stations
- 40 amps
- Wi-Fi enabled
- Works with any electric vehicle

[Shop EV Chargers](#)

Appendix B: Seasonal Promotions and LTOs

Don't let these essentials slide this fall. [See how? Click here.](#)

Orange & Rockland STORE

BACK TO SCHOOL FLASH SALE 2 DAYS ONLY
SAVE NOW ON THE NEWEST ENERGY EFFICIENT TECH.
[SHOP NOW](#)

We're celebrating the start of a new school year with a savings on select energy efficient and smart home tech.

From specialty LED to smart plugs to smart thermostats and Alexa voice assistants, we've got deals on products that bring convenience, efficiency and back-to-school good to your home, office or store.

[Explore the Essentials](#)

Don't miss out on this. [See how? Click here.](#)

Orange & Rockland STORE

Labor Day Sale
LAST CHANCE
\$1 per bulb
[SHOP FLASH SALE](#)

\$1 Per Bulb — Offer Ends Today!***

MaxLite® 9w A19 (6 Pack)*

- 25,000-hour life
- Fully dimmable to 10 percent
- ENERGY STAR certified

[Get Your \\$66-Pack](#)

[Shop Flash Sale](#)

INSTANT REBATE + \$50 OFF
nest Learning Thermostat

Appendix C: My ORU Advisor

Orange & Rockland | ADVISOR [View as Website](#) [Log In](#)

Program Your Thermostat for Savings

Keep your cooling costs low this summer by programming your thermostat to adjust the temperature throughout the day.

That way, you won't waste money on AC when you don't need it – like when you are asleep or away from home.

Our Recommended Temperature Settings:
Use the settings below as a guide for programming your thermostat efficiently.

- 8:00 a.m. Wake and Energy: 85°
- 7:00 a.m. Wake and Shine: 78°
- 8:00 a.m. Head to Work: 85°
- 5:00 p.m. Home Sweet Home: 78°
- 10:00 p.m. Bed Time: 85°

Orange & Rockland | ADVISOR [View as Website](#) [Log In](#)

Your Summer Vacation Efficiency Checklist

Summer trip on the books? Make sure you're not wasting energy while out of town. Before you hit the road, review our handy checklist for putting your home in "vacation mode" in ten minutes or less!

Vacation Efficiency Checklist

- Turn off the AC or raise the temperature 4-6 degrees.
- Unplug electronics before you go. TVs, computers and game consoles all consume energy even when not in use.
- Lower the temperature of your water heater or activate its vacation setting.
- Switch off lights, put them on a timer or use a [smart plug from My ORU Store](#) to control them remotely.

Log in to the My ORU Advisor website and complete the Vacation Saver tip online to earn 40 reward points.

[Complete Tip | 40 points](#)

Appendix D: SUEZ

O&R and Suez team up to save you water and energy.

Did You Know?
You can save 2,900 gallons of water a year by just replacing one showerhead. That equates to powering your home for 13 days, or saving more than \$70 per year in utility costs.
source: EPA

Shop O&R's online store for great deals on quality products.

Get instant rebates on products that conserve water and energy.


myORUstore.com

Orange & Rockland | SUEZ
One River Plaza, Pearl River, NY 10965-2124

Appendix E: Social Media

Orange & Rockland
Sponsored · Like Page

Whether you're returning to school, moving into a dorm, or even revamping the office—shop energy-efficient products on sale.



SMART-HOME TECH FOR WHATEVER IS NEXT


Shop the Marketplace
Offer available now through August 17th
MYORUSTORE.COM

Shop Now

Like Comment Share

Orange and Rockland Utilities, Inc. · Written by Adrianna Qi [?] · 5 mins ·

Get a free Google Home Mini and up to \$65 off select Nest products.



NEST HELLO DOORBELL DISCOUNTS ARE KNOCKING

MYORUSTORE.COM
Shop the My ORU Store
Offer available now through July 8th.

Shop Now

Orange and Rockland Utilities, Inc. shared a link. · Sponsored ·



MYORUSTORE.COM
LED SALE! Now until 9/4
MaxLite's 9w LED A Lamp provides 800 lumens of energy...

Shop Now


Like Comment Share

Appendix F: Bill Inserts

Orange & Rockland

\$6,500 in prepaid home upgrades

Act by August 31 and you may be eligible for an extra \$100 in upgrades!
comfortpackage.myorustore.com



Don't lose your cool!

With the Home Advance Comfort Package from O&R's partner Sealed, you can get up to \$6,500 in prepaid weatherization upgrades and smart home technology with no out-of-pocket expense. Instead, your energy bill savings cover the cost.

See if you qualify!
comfortpackage.myorustore.com

Call or text by August 31 to see if you qualify for an extra \$100 in upgrades.
(845) 617-5377

Orange & Rockland

Claim your \$6,500 home comfort makeover in time for fall!

Receive a free "Smart Home Starter Kit" with your home upgrades if you qualify by September 30.

Call or text 845-617-5377
comfortpackage.myorustore.com

Don't wait for the first frost. Get started now!



As the weather turns cool, be the smartest, coziest house on the block.

O&R has partnered with Sealed who will prepay for essential energy and money saving upgrades for your home.

With the Home Advance program, Sealed will prepay up to \$6,500 for professional installation of insulation, air sealing, thermostats and lighting in your home — the energy savings cover the cost with no change to your current budget.

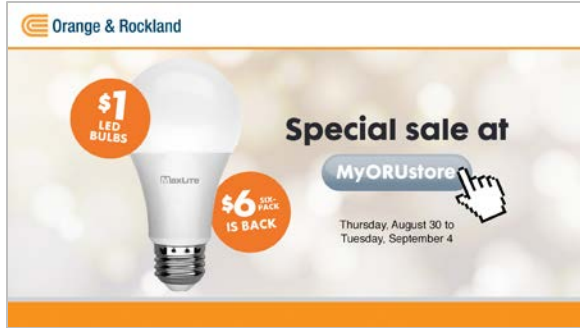
Get started this month and you could receive a Smart Home Starter Kit with your upgrade package, including a Google Home Mini, Philips Hue Smart Bulbs, and a Nest Thermostat.



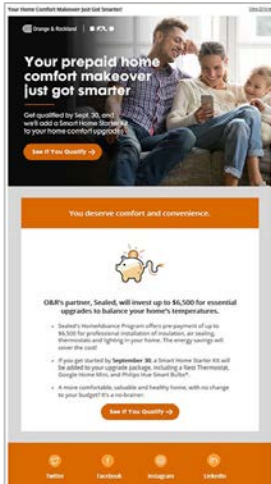
*Smart Home Kit offer valid for customers who qualify for HomeAdvance by September 30, 2018 and sign a HomeAdvance agreement by October 31, 2018. To qualify for HomeAdvance, customers must own and occupy a single family detached home with an individual electric heat primary with natural gas or oil, and have a credit score of 600 or above. Additional restrictions may apply.

See if you qualify
comfortpackage.myorustore.com
Call or text 1-845-617-5377

Appendix G: Corporate Communications



Internal E-Board



Customer Email