



REV Demonstration Project:
Building Efficiency Marketplace

2018 1Q Quarterly Progress Report

Dated: April 30, 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 Q1 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 Q1 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
 - Worked with customers to develop scopes and action plans
 - Performed site walks with market partners to provide bids via the marketplace
- The Energy Insights Marketplace
 - Developed strategy to align qualified market partners with Con Edison's Manage Energy process
 - Provided platform for over 20 projects
- Phase 2 Marketing
 - Performed bulk email campaign
 - Reviewed performance of bulk campaign vis a vis customized direct outreach

2.1.2 Activities Overview

During Q1 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. Although the milestone for this goal is mid-2018, the Project is on track to meet this goal with over 1.5 million kWh through Q1. Official tracking of this metric will begin in the next quarterly report.

Revenue Realization
















This metric tracks revenue earned by the company for facilitating projects through the Energy Insights Marketplace. The Project has yet to earn any revenues as there had not previously been a critical mass of projects to warrant fee collection. During Q2 of

2018 the Project team will reevaluate the feasibility of this target and determine if any changes are needed moving forward.

2.1.4 Next Quarter Forecast




In Q2 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
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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 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: N/A

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	Q3	Q4	
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

During Q1, the project team conducted bulk email marketing campaigns to customers in the project population. The results were less than the team had hoped for with an average open rate of 13.5 percent and an average response rate of just 0.2 percent. In comparison, direct targeted emails to potential customers yielded a response rate of 1.7 percent. This demonstrates that the bulk email campaigns are a less effective way of communicating with these customers and will require a change to the marketing strategy.

2.3.2 Recommendations

The project team believes bulk emails are not an efficient means of reaching these customers and is pivoting its marketing approach to leverage other Con Edison programs including working directly with the Con Edison sales team to reach customers with the tools offered through the marketplace.

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

 Hi Arch (logout) | Manage Account | Help

Large Office (Highrise) Example 4 ▼ #9123493995 Manage property

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?

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

SAVE UP TO \$49,030 /Year


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

[Find Ways to Save](#)

CREATE ENERGY-SAVING ACTION PLANS WITH 1 CLICK

PROPERTY DETAILS
How many floors does your space include?

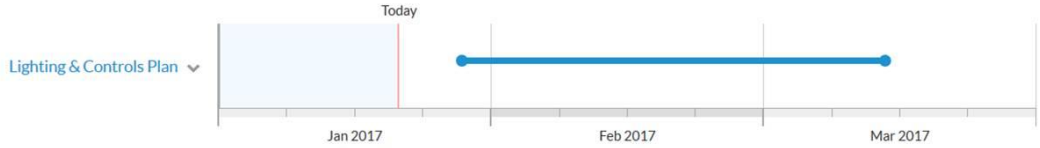
Appendix B: Energy Insights Portal – Action Plan Page


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 <i>Planned</i>	Lighting & Controls Pl...	Actions Completed 0 out of 5	Plan Cost \$45,000	Plan Timeline 1/27/17 - 3/15/17	✕	
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	[edit] [up]	
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	[edit] [up]	

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