



February 4, 2016

VIA EMAIL

Honorable Kathleen Burgess
Secretary, New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 14-M-0101 – Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision (REV) – Demonstration Project Proposal

Dear Secretary Burgess:

On behalf of New York State Electric & Gas Corporation, a subsidiary of AVANGRID, Inc., enclosed for filing is an implementation plan for the Community Energy Coordination demonstration project.

If you have any questions, please contact me at 607.762.4977.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Bochenek", written in a cursive style.

Scott Bochenek
Manager – Smart Grid Programs

Reforming the Energy Vision
Demonstration Project Implementation Plan

**Community Energy
Coordination**



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Executive Summary

This Implementation Plan is submitted by New York State Electric & Gas, (“NYSEG” or the “Company”), a subsidiary of AVANGRID, for the Community Energy Coordination (“CEC”) Reforming the Energy Vision (“REV”) Demonstration Project. This plan is submitted in response to the letter from Scott Weiner to Laney Brown issued on August 3, 2015. That letter advised that Staff had determined that the CEC project proposal submitted by the Company on July 1, 2015 complies with the objectives set forth in Ordering Clause 4 of the Commission’s Order Adopting Regulatory Policy Framework and Implementation Plan, issued February 27, 2015.

This plan conforms to the REV Demonstration Project Implementation Plan Template provided by Department of Public Service (“DPS”) Staff dated August 11, 2015 and generally describes the CEC project design, roles and responsibilities, work plan, budget and reporting structure. The CEC Implementation Plan will be a living document which will be updated as a result of community engagement, findings from test hypotheses, market analyses, and other discoveries as the CEC evolves.

The CEC project will test the benefit of NYSEG taking on new roles within the distributed energy resources value chain.

NYSEG, working with market partner Taitem Engineering, will coordinate input from community stakeholders to identify synergies with other community-based energy initiatives and to ensure alignment with community energy goals. In collaboration with community stakeholders, we will identify distributed energy resources that provide product offerings that are of interest to the community and that will help the community reach its energy-related goals. We will solicit interest in those distributed energy resources by marketing them directly to customers. The aggregated customer demand (identified and qualified customer leads) for distributed energy resources products and services will then be presented to qualified suppliers to deliver those resources.

With NYSEG in this new role we can help communities reach their energy-related goals by supporting customer adoption of distributed resources while reducing customer acquisition cost.

The project was launched in November 2015 and will conclude in December 2017.

Section 1: Demonstration Design

Introduction

The CEC demonstration project was developed based on comprehensive discussions with community leaders in Tompkins County. Municipal leaders, community stakeholders, energy service providers, local businesses, and residential consumers are each eagerly pursuing various degrees of change in how they impact and interact with the energy ecosystem. Municipal leaders, with the input of community stakeholders, have established goals to reduce the community's energy consumption and to increase the proportion of energy that is produced from clean-renewable sources. Local businesses and residential consumers often share the motivation to increase the proportion of energy coming from renewable sources. However, they currently face some barriers to adopting available alternatives which include cost, access to financing, lack of information, lack of trust of energy service providers, and an unwillingness to make long term commitments. With these barriers in mind NYSEG asked **“What can the utility do to be an enabler of community energy goals?”**

In the role of ‘utility as an enabler’ of community energy goals we have hypothesized that NYSEG can reduce the cost and support increased adoption of distributed energy resources (“DER”) by taking on three specific roles within the DER value chain. The **first role** is for NYSEG to coordinate input and facilitate planning among various community stakeholders; **the second** is for NYSEG to act as a sales agent for DER, and **the third role** is for NYSEG to be the market coordinator for DER.

NYSEG as Community Facilitator: NYSEG will facilitate a coordinated planning process that will identify synergies and shared needs between various community stakeholders, and to ensure the project supports the goals and priorities of the community. The products and services that are offered through this project will be based on the input received during this planning process.

NYSEG as Sales Agent: NYSEG has a well-established brand within its New York service territory with long term relationships established with customers. With NYSEG acting as a sales agent we believe a large segment of customers who otherwise would not pursue DER will be willing to adopt DER products and services.

NYSEG as Market Coordinator: The third role is for NYSEG to be the market coordinator for DER. Once NYSEG has independently generated qualified leads through a marketing and sales effort, NYSEG will be able to aggregate customer interest and solicit competitive offers from service providers that will meet customer requirements. We believe that this type of competitive solicitation has the opportunity to significantly reduce DER costs. Additionally, NYSEG will establish an evaluation process that will provide feedback to market participants and to future customers.

To begin establishing these new roles for the utility, NYSEG must develop a foundation of relevant knowledge and capabilities. Since NYSEG has limited experience designing, valuing, or selling DER product offerings, it was determined that a market coordinating partner possessing this experience will be a critical component for success. NYSEG has established a partnership with Taitem Engineering (“Taitem”) to help deliver both the community facilitation and market coordination functions for this project within Tompkins County.

Taitem has a long history of successful program development, solar PV development, and energy efficiency work in New York. The firm is locally based in Tompkins County, with a regional reach and an extensive community and professional network. In addition to partnering with NYSEG to develop and manage the demonstration project framework, the firm is also a potential service provider of solar installation services. Taitem's perspective as an active market participant is vital to developing feasible business models that can become self-sustaining. Taitem is an active member of the Tompkins County community with strong relationships with key community stakeholders. Taitem's network in the community will be leveraged to help facilitate project input and collaboration from community stakeholders.

Community Engagement

Since June 2015, the CEC project concept has been presented and discussed with multiple stakeholders in Tompkins County including elected officials, County and City planning staff, faculty and staff at Cornell University, and engaged citizens. Community engagement will be at the heart of this demonstration project focusing on the theme of the utility as an enabler of community energy goals.

With that in mind, the first phase of the project will be focused on gathering input and engaging with key community stakeholders. This community stakeholder engagement and planning project phase will last four months. The purpose of focused community stakeholder engagement includes:

1. Understanding the priorities of the community
2. Ensuring the products / services offered are in alignment with and help to support community energy goals
3. Identifying synergistic opportunities with other energy related activities
4. Gathering input and feedback on project design
5. Creating an environment of collaboration

Product / Service Offerings

As stated in the initial demonstration project filed on July 1, 2015, we envision that multiple DER products and services could be successfully offered within the CEC concept. Based on preliminary discussions with community stakeholders, a few products and services have been identified as having a high level of interest and high probability of success. In order to keep the scope of this project manageable, we will collaborate with the community and will ultimately select one or two products or services to offer during the first iteration of this concept. We will base this decision on input from the community stakeholder engagement phase while ensuring the product or services selected are feasible and can be offered efficiently within the CEC model.

Initial List of Potential Product / Service Options Based on Initial Community Input:

- Residential Premise Located Solar PV
 - This may include a standardized PV offering with the intent of reducing as much variability as possible in order to reduce development cost. The demonstration project team will also explore the option of including battery storage as an optional component of the offering.
- Community DG
 - This may include the design, build, and business model development of community net metered solar PV or distributed wind. The project team will explore the development of PV or wind developments with a size of approximately 500 KW each. The team believes that the size of 500 KW will help ensure speedy and cost effective interconnection with the distribution system.
- Commercial Solar PV
 - This may include a standardized PV offering with the intent of reducing as much variability as possible in order to reduce development cost. The demonstration project team will also explore the option of including battery storage as an optional component of the offering.
- Distributed Wind
 - This may include small scale wind turbines primarily located in rural areas.
- Residential Weatherization
 - This may include air sealing and insulation in residential premises. Opportunities would be assessed based on usage data and would potentially be correlated with premise size.

- Other Energy Efficiency Measures
 - This could include the mass marketing and mass purchasing of measures such as Smart Thermostats, LEDs, and occupancy sensors as examples

These are potential products and service offerings. During the initial planning and community engagement phase of this project, we will not limit the discussion to these specific options, but will highlight them as potential options that have been previously discussed. Ultimately, based on community stakeholder input, one or two resource offerings will be developed and offered during the initial implementation of this project. If the CEC business model proves to be successful we will then evaluate the opportunity to provide additional product and service offerings within Tompkins County and will also evaluate the opportunity to provide various products and services in other communities.

It should be noted that NYSEG does not plan to be the actual provider of any of these products or services. Instead, we will work with third party product and service providers to provide the selected products and services. During the initial implementation of this project in Tompkins County we will likely partner with multiple service providers. As this project scales to additional geographic locations the product or service providers will be selected in a competitive manner in order to facilitate market competition and reduce the cost of the DER products and services to customers.

The estimated project revenue and project schedule were developed specifically considering residential premise solar PV and community solar as the product and service offerings within this project. If input from community stakeholders during the community engagement phase leads to different product and service offerings then the revenue projections will be revisited. It is also possible that a different mix of product and services could shorten the projected schedule. Any modification to the current projections will be reflected in quarterly reporting.

A) Test Statements

We hypothesize that by taking on the roles of community facilitator, sales agent, and market coordinator NYSEG can help reduce the cost and increase adoption of distributed energy resources.

Table 1 below details the value we think will be created by the CEC project in the form of “test statements” along with our initial hypotheses for how those test statements will be proven.

Table 1: Test Statements

Test Statement	Hypothesis
<p>We believe...</p> <ul style="list-style-type: none"> • The CEC project will create more value for community stakeholders, customers, and market participants as compared to standard product / service offerings 	<p>If the CEC process generates more value than standard product / service offerings in the market, Then...NYSEG will receive a referral fee for each customer DER adoption which represents a portion of the value of NYSEG contributing to planning and customer acquisition</p>
<p>We believe...</p> <ul style="list-style-type: none"> • Community and utility engagement will increase DER penetration at a lower cost; and 	<p>If the CEC process is more effective in achieving higher penetration rates of DER, Then...the proportional penetration of the selected DER in Tompkins County will be higher than original baseline estimates</p>
<p>We believe...</p>	<p>If the CEC process is more effective in achieving lower costs of DER,</p>

<ul style="list-style-type: none"> • Community and utility engagement will lower the cost of DER 	<p>Then...the purchase price paid by customers will be lower than historical prices or lower than prices observed in non-participating counties with historically similar prices</p>
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B) Test Population

The demonstration phase of the CEC project will be focused in Tompkins County. We have engaged municipal and community leaders in Tompkins County over the past six to nine months and with their input developed the initial question of “What can the utility do to be an enabler of community energy goals?” We feel that having input from an engaged community will create significant value that can later be applied to other communities. The product and service offerings for this demonstration project will be determined at the conclusion of an initial four-month community stakeholder engagement phase.

Table 2 outlines the potential test populations based on the initial list of product and service options. The test population will be refined when the final products are selected.

Table 2: Potential Test Populations

Test Population Description	Selection Method
<p><i>Premise Located Solar PV – Residential homeowners in Tompkins County</i></p>	<ul style="list-style-type: none"> - <i>Identify all residential single premise customers in Tompkins County</i> - <i>Net out existing solar PV owners/ participants</i> - <i>Net out rental property based on tax data</i> - <i>Create prioritized list based on usage data</i>
<p><i>Community DG – Residential customers, or landlords in Tompkins County who either prefer remotely located DG or who are not eligible for premise located DG due to space, shading, or because they live in multi-dwelling buildings</i></p>	<ul style="list-style-type: none"> - <i>Identify all residential customers in Tompkins County</i> - <i>Net out transient premises with > 1 move per 2 years</i> - <i>Net out existing DG owners / participants</i> - <i>Create prioritized list based on usage data</i> - <i>Develop criteria for including at least 20% low income participants in one of the community DG projects</i> - <i>Identify residential landlords who maintain the electricity account with NYSEG</i>
<p><i>Commercial Solar – Non-residential customers in Tompkins County</i></p>	<ul style="list-style-type: none"> - <i>Identify all non-residential customers in Tompkins County</i> - <i>Net out existing solar PV owners / participants</i> - <i>Create prioritized list based on usage data</i>
<p><i>Distributed Wind – Residential and Non-residential customers in Tompkins County</i></p>	<ul style="list-style-type: none"> - <i>Working with distributed wind service providers identify geographic areas in Tompkins County that are conducive to this</i>

	<p><i>resource</i></p> <ul style="list-style-type: none"> - <i>Review tax map data to identify properties that are the best candidates within the target geography</i> - <i>Identify high potential customers based on usage data</i>
<p><i>Residential Weatherization – Residential customers in Tompkins County</i></p>	<ul style="list-style-type: none"> - <i>Gather input from service providers to identify selection methodology</i> - <i>Specific selection methodology will depend on the exact service being offered</i>
<p><i>Other Energy Efficiency Measures – Residential and Non-residential customers in Tompkins County</i></p>	<ul style="list-style-type: none"> - <i>Gather input from service providers to identify selection methodology</i> - <i>Specific selection methodology will depend on the exact product being offered</i>

C) Test Scenarios

Table 3 outlines the various test scenarios that will be used to consider project progress and success.

Table 3: Test Scenarios

Scenario	Description
Utility Contact	<p>Determine what percentage of contacted customers respond to NYSEG's communications promoting the selected DER offering. Determine how this compares to the typical response rates experienced by the DER service provider.</p> <ul style="list-style-type: none"> • Test response rates by communications channel (direct mail, email, social media) • The CEC response rates will be compared with the historical response rates of the DER service providers who are participating in the project and with other publically available data
Utility Efficiency for Customer Acquisition	<p>Determine the DER offering acquisition cost per customer for the CEC project and compare that cost to the DER developer's typical costs. The DER developer average cost and other publicly available information will be reviewed and compared to the CEC project customer acquisition cost.</p>
Adoption Rate	<p>Determine the overall adoption rate of the selected DER offering within the CEC project area and how it compares to the historical adoption rate in Tompkins County or the adoption rates in similar communities where data is available.</p>

D) Check Points

Table 4 outlines project metrics that will be used to measure project progress and success.

Table 4: Project Metrics

Check Point	Description
Defined Product Offering	Measure: Product offering defined based on input from community stakeholders How: Detail included in quarterly report Expected Target: Included in Q1 2016 report
Community Stakeholder Support of Project	Measure: Key community stakeholders endorse the project How: Measured by the number of stakeholders that publically endorse the project Expected Target: 10 elected officials and 5 community groups Mitigation: assess stakeholder engagement strategy When: by Q2 2016
Program Design	Measure: Detailed product offering with defined roles, schedule, and deliverables for each stakeholder How: Project detailed operational plan Expected Target: Detailed operational plan by end of Q2 2016
Identify Target Customers	Measure: List of customers who will be targeted for the project offerings How: Using test population methodology Expected Target: Approximately 30,000 customers When: Q3 2016
Customer Response	Measure: Eligible customer response to project communications How: Customer contact tracking Expected Target: 8% response rate (2,400 customer inquiries measured over a 3 month period) Mitigation: assess communication strategy – increase outreach When: Q2 2017
Customer Adoption	Measure: Eligible customers commitment to project offerings How: Customer sign-up tracking Expected Target (example): 50 customers for Premise located PV and 300 customers for Community Solar PV – includes projected numbers + 10% contingency. Expected targets for other potential resource options will be determined based on additional market research. Mitigation: survey customers to identify barriers to participation, create mitigation plan based on identified barriers When: Q3 2017
Market Animation	Measure: Cost of product offerings How: Documented cost by participating service provider partner Expected Target (example): Using data.ny.gov and NYSERDA PowerClerk compare PV offerings on a \$ per watt basis to counties with historically similar costs (Broome, Allegany, Tioga, Herkimer). Cost targets for other potential resource options will be determined based on additional market research. Mitigation: Perform detailed cost analysis with all parties to identify where cost can be removed from program When: Q2 2017

Utility Revenue Generation	<p>Measure: NYSEG Gross Revenue</p> <p>How: Documented NYSEG Gross revenue on a per committed customer basis</p> <p>Expected Target: Will depend on product offering. For illustration purposes if solar PV is the product offering we expect \$240 per committed customer</p> <p>Mitigation: Review offering cost and revenue structure. Review volume performance.</p> <p>When: Q4 2017</p>
Program Efficiency	<p>Measure: CEC customer acquisition costs to determine competitiveness of acquisition costs compared to other methods used by service providers</p> <p>How: Documented NYSEG acquisition related expenses per # of enrolled customers</p> <p>Expected Target: \$ targets will be developed with market/service provider partners based on benchmarking of service providers experience</p> <p>Mitigation: Review project O&M expenses</p> <p>When: Q3 2017</p>
Stakeholder Satisfaction	<p>Measure: Stakeholder satisfaction with the CEC project</p> <p>How: Survey of relevant stakeholders including municipalities, partners, and local NGO's</p> <p>Expected Target: >85% likely to recommend this program to another community</p> <p>Mitigation: Review stakeholder engagement plans</p> <p>When: Q4 2017</p>
Value to Service Providers	<p>Measure: Value of the CEC project to the participating service providers</p> <p>How: Service provider revenue in the test area</p> <p>Expected Target: Increased revenue over baseline projections</p> <p>Mitigation: Review project design with service provider partners</p> <p>When: Q4 2017</p>

Section 2: Project Structure & Governance

A) Project Team

NYSEG is building a partnership with Taitem for the CEC project. At the conclusion of the community stakeholder engagement phase, NYSEG and Taitem will evaluate additional project partners based on the needs of the selected products that will be offered. These partnerships might include product service providers, data management, and finance.

Figure 1: Project Organizational Chart

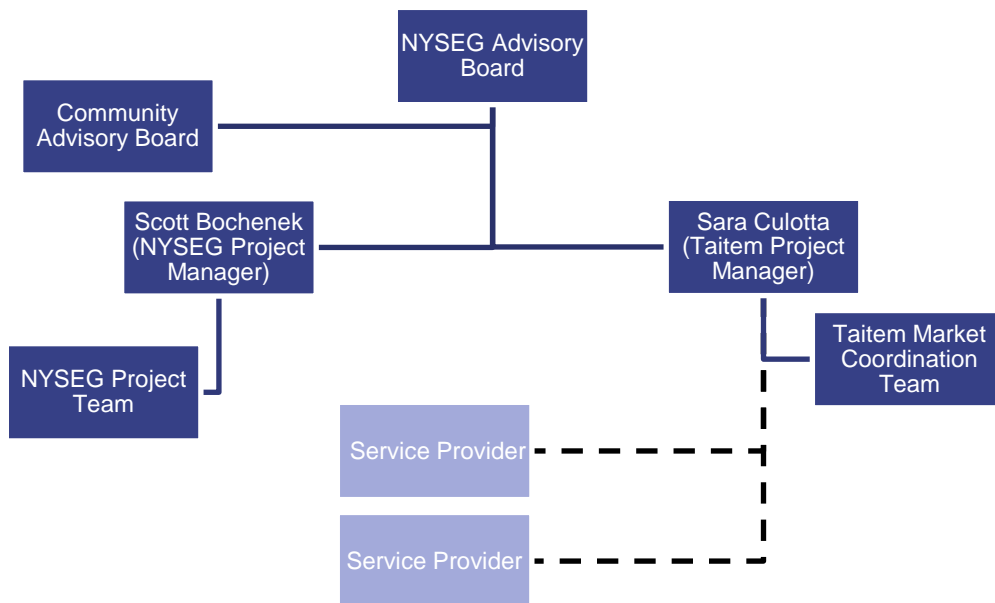


Table 5: Utility and Partner Skillsets

NYSEG Team	Taitem Community Facilitation & Market Coordination Team	Taitem Service Provider Team
Project Management	Project Management	DER Project Development
Distribution Engineering	Energy Services	Expertise in Building Solar PV
Marketing & Communications	Business Model Development	Expertise in Financing Solar PV
Market Research	Broad Understanding of DER Markets	
Data Analysis	Community Outreach & Collaboration	

Table 6: Utility Resources

Team Member	Title	Relevant Skillsets
Scott Bochenek	Manager, Smart Grid Programs	Project Management
Clay Ellis	Manager, Communications	Communications
Andy Young	Lead Analyst	DER Development
Tom Barks	Lead Analyst, Customer Service	Consumer Research
Rebecca Smith	Analyst, Design	Design and Marketing
Jim Oswald	Supervisor, Distribution Planning	Distribution System
Mark Chier	Manager, Interconnections	Interconnections
Alan Hoffman	Lead Analyst, Customer Data	Customer Analysis
John Zabliski	Manager, EE M&V	Energy Efficiency & Evaluation

Table 7: Partner Resources

Team Member	Title	Relevant Skillsets
Sara Culotta	Project Manager	Project Management
Gordon Woodcock	Solar Business Manager	DER Business Development
Lou Vogel	President	Business Model Development
Theresa Ryan	Marketing Manager	DER Marketing
Beth Mielbrecht	Partner	Research project design and execution

B) Roles & Responsibilities

The main roles and responsibilities for this project will be held by NYSEG and Taitem. Beyond NYSEG and Taitem, there may be additional roles and responsibilities specific to the product offering that is chosen such as PV service provider, community solar sponsor, weatherization service provider, data analytics and financing. These additional roles and responsibilities will be identified and any updates will be included in the quarterly reports.

Table 8 outlines NYSEG's roles and responsibilities and table 9 outlines Taitem's roles and responsibilities.

Additionally, Table 10 outlines expected roles and responsibilities of the Community Advisory Board.

Table 8: NYSEG Roles and Responsibilities

Role #	Role Name	Description
1	Project Leadership	Overall project direction and management
2	Community Stakeholder Engagement	Solicit input from and engage with key community stakeholders on the initial product offerings and program design. Continue ongoing engagement with the community.
3	Business Model Development	Develop DER business models
4	Market Research	Identify consumer barriers to DER adoption
5	Product Development	Help further define product details
6	Consumer Marketing	Design, create, and distribute marketing materials including but

		not limited to direct mail, email, social media, and program collateral. Collect information on interested customers.
7	Consumer Intake	Answer preliminary customer questions and develop qualified leads
8	Evaluation and Reporting	Evaluate project success and develop reporting

Table 9: Taitem Roles and Responsibilities

Role #	Role Name	Description
1	Project Management	Manage the development of the overall project
2	Community Stakeholder Engagement	Solicit input from and engage with key community stakeholders on the initial product offerings and program design. Continue ongoing engagement with the community.
3	Business Model Development	Develop DER business models
4	Technical Specifications	Develop detailed product specifications
5	DER Asset Development	Establish financing options, land resources, and other resources needed to develop selected DER assets
6	Evaluation and Reporting	Evaluate project success and develop reporting

Table 10: Community Advisory Board Roles and Responsibilities

Role #	Role Name	Description
1	Alignment with Community Energy Goals	Make sure the project is aligned with the established community energy and sustainability goals and is creating value for the community
2	Identifying Synergies	Help identify synergies between the CEC project and other energy related projects in the community
3	Community Engagement	Engage community members in the CEC project offerings
4	Liaison with other Stakeholders	Provide input from and feedback to other community stakeholders such as elected officials and development organizations

C) Governance

NYSEG will have ultimate responsibility for project spending, milestones, and regulatory reporting requirements. In the spirit of the REV demonstration projects, NYSEG will share implementation leadership responsibilities with Taitem. Taitem is a project partner and not simply a project vendor. Taitem's profitability as a participant in this project is tied directly to the success of the project. NYSEG and Taitem both believe that input from and engagement with the community will create significant value for this project.

There will be a core project team who will be responsible for the day-to-day project implementation decisions. That core team will meet monthly with a Community Advisory Board in order to seek input and feedback on the project and ensuring that the project is aligned with the community's energy goals. On a bi-weekly basis the Core Project team will meet with a joint NYSEG / Taitem Advisory Board in order to receive direction and guidance on decisions of strategic importance. On a monthly basis, the chair of the NYSEG / Taitem Advisory Board will review project status with the NYSEG Executive Steering Committee

in order to ensure continued alignment with NYSEG’s strategic direction, alignment with other REV initiatives, and to ensure any internal roadblocks to project success are mitigated.

Table 11 outlines the members of the NYSEG Advisory Board. This advisory board will have ultimate decision making authority for the project.

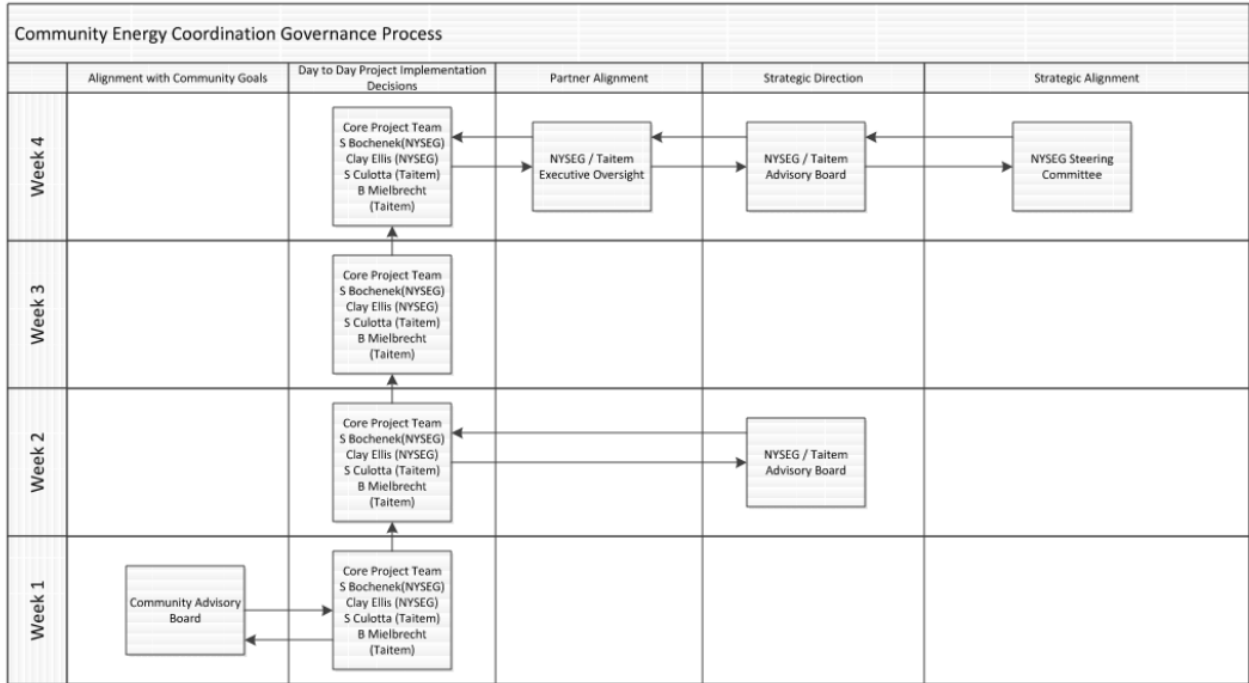
Table 11: NYSEG / Taitem Advisory Board

Board Member	Title	Responsibility
Jeff Ballard	Vice President, Operations Technologies and Business Transformation	Chair
Mark Marini	Director, Regulatory	Regulatory Considerations
Leona Michelson	Director, Marketing & Sales	Brand & Messaging
Cindy Chadwick	Director, Public Affairs	Community Engagement
Mark Beaudoin	Director, Customer Service	Pricing and Revenue
Armando Musa	Director, Legal Services	Legal Considerations
Lou Vogel	President, Taitem Engineering	Market Partner

Table 12: Community Advisory Board (example)

Board Member	Area of Representation
TBD	Municipal Government
TBD	County Government
TBD	Elected Official
TBD	Economic Development Organization
TBD	Low Income Advocate
TBD	Engaged NGO
TBD	Engaged Citizen

Figure 2: CEC Governance Process



Section 3: Work Plan & Budget

A) Project Plan

The CEC demonstration project will be implemented in six phases and will be completed by December 2017. Each phase has at least one milestone that will be measured in order to indicate successful completion of that phase. A seventh phase, or “Phase 0” is now complete and included the development of this regulatory implementation plan and development of a contract with the project partner. In Phase 1, the potential product offerings and scope of the project will be reviewed with and input will be gathered from key community stakeholders. In Phase 2, the detailed product specifications will be created, in Phase 3 a marketing plan will be created and the products will be marketed to customers, in Phase 4 sales will be completed and contracts will be signed with customers, in Phase 5 the DER will be constructed or implemented, and in Phase 6 project evaluation will be completed. Figure 3 below details the activities associated with each of these phases.

It should be noted that this work plan includes twelve months of work in 2017 that was not originally indicated in the July 1, 2015 filing. This additional time reflects four months due to a later start date than originally anticipated, an extra two months of planning, an extra three months of market solicitation, and includes three additional months for construction.

Figure 3: CEC Work Plan

	Ownership	2015		2016				2017			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase 0: Project Development											
Activity 0.1: Regulatory Implementation Plan	NYSEG										
Milestone : Regulatory Approval				x							
Activity 0.2: Service Agreement and Contract with Partner	NYSEG										
Milestone: Contract Signed				x							
Phase 1: Planning & Community Engagement											
Activity 1.1: Community Stakeholder Engagement	NYSEG / Taitem										
Establish Community Advisory Board & Socialize Project Goals	NYSEG / Taitem										
Identify key community stakeholders (approx 5 to 7 groups)	NYSEG / Taitem										
Hold introductory meetings with key stakeholder groups	Taitem										
Hold follow up meetings to gather key interested stakeholder input	Taitem										
Hold information gathering meetings with various potential service providers	Taitem										
Milestone: Key lessons learned from community stakeholder engagement						x					
Activity 1.2: Create updated project scope	NYSEG / Taitem										
Identify project scope based on stakeholder input	NYSEG / Taitem										
Communicate project scope to stakeholders (iterate where needed)	NYSEG / Taitem										
Engage with potential service providers	NYSEG / Taitem										
Create updated product / service scope	NYSEG										
Milestone: Updated scope filed in quarterly report						x					
**** The remaining project plan is using residential premise solar PV and community PV as the selected products. This is for illustrative purposes. An updated project plan will be created following the community stakeholder engagement phase of the project. ****											
Phase 2: Project Planning											
Activity 2.1: Product Development	NYSEG / Taitem										
Market Research to Identify Consumer Barriers to Solar Adoption	NYSEG										
Engage Key Stakeholders	Taitem										
Detailed Cost and Tech Specs for Premise Solar Product Offering	Taitem										
Detailed Cost and Tech Specs for Community Solar Product Offering	Taitem										
Identify Cost Effective Circuits for Solar	NYSEG										
Service provider partnerships established	NYSEG / Taitem										
Identify Community Solar Asset Owners	Taitem										
Establish Community Solar Business Models	NYSEG / Taitem										
Identify Available Land and Establish Lease Arrangements	NYSEG / Taitem										
Establish Finance Options for Premise Solar Product	Taitem										
Establish Finance Options for Community Solar Product	Taitem										
Milestone: Product cut-sheets created											x
Phase 3: Customer Solicitation											
Activity 3.1: Marketing Plan Development	NYSEG / Taitem										
Create Marketing Material for Premise Solar Product	NYSEG										
Create Marketing Material for Community Solar Product	NYSEG										
Establish Co-Marketing with Municipalities and Other Stakeholders	NYSEG / Taitem										
Milestone: Marketing Plan Completed											x
Activity 3.2: Active Marketing	NYSEG / Taitem										
Market Premise and Community Offerings	NYSEG										
Conduct At Least Two Open Community Meetings	NYSEG / Taitem										
Respond to Customer Inquiries	NYSEG										
Milestone: Awareness and Response Targets Met											x
Phase 4: Market Solicitation											
Activity 4.1: Sales Completion	NYSEG / Taitem										
Perform Site Analysis for Premise Offerings	Taitem										
Close Sales for Premise Solar Offerings	Taitem										
Close Sales for Community Solar Offerings	Taitem										
Secure Financing for Premise Solar Offerings	Taitem										
Secure Financing for Community Solar Offerings	Taitem										
Establish Legal Entity for Each Community Solar Array	NYSEG / Taitem										
Establish Project Sponsor for Each Community Solar Array	NYSEG / Taitem										
Milestone: Sales Target Met											x
Phase 5: Construction											
Activity 5.1: Construct Solar Arrays	Taitem										
Procure Materials and Construct Premise Solar	Taitem										
Procure Materials, Prepare Site, and Construct Community Solar	Taitem										
Milestone: Cost Effectiveness Targets Met											x
Phase 6: Evaluation											
Activity 6.1: Project Evaluation	NYSEG / Taitem										
Evaluation, Measurement, and Verification of Results	NYSEG / Taitem										
Milestone 1: Revenue Targets Met											x
Milestone 2: Stakeholder Satisfaction Targets Met											x

B) Project Budget

Table 13: CEC Budget

Budget Area	In thousands
Incremental Labor, Community Engagement	\$80
Incremental Labor, Project Planning	\$110
Incremental Labor, Customer Solicitation	\$50
Incremental Labor, Market Solicitation	\$70
Incremental Labor, Measurement & Evaluation	\$20
Consumer Research & Evaluation	\$68
Marketing Materials & Advertising	\$30
Total	\$428

Non-Incremental Resources	Hours
NYSEG Project Manager	4680
NYSEG Project Support Resources	7581

Non-incremental resource hours reflect the expected time contribution of the NYSEG resources identified in Table 6.

The estimated revenue in Table 14 is based on residential premise solar and community solar as the selected product and service offerings. This estimated revenue could change if input received from the community engagement phase highlights other products and services to be offered.

Table 14: Projected Cash Flow

In thousands	2015	2016				2017			
Timeframe:	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Expected Cash-Out, Project Development & Management:	(\$10)	(\$70)	(\$70)	(\$50)	(\$50)	(\$20)	(\$20)	(\$20)	(\$20)
Expected Cash-Out, Marketing:				(\$10)	(\$20)				
Expected Cash-Out, Research and Evaluation:		(\$15)	(\$5)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)
Expected Cash-In: **						\$30	\$30	\$30	

** If the chosen DER resource provides distribution system benefits those benefits may be an additional value stream for the CEC project concept.

Section 4: Reporting Structure

C) Reporting Expectations

Quarterly reports will be provided to DPS Staff throughout the demonstration project. The report will provide an update on implementation progress and will identify any deviations from the project plan and budget. Additionally, as the information becomes available, the report will provide the results of key project metrics as listed in Table 4 "Project Metrics".

Figure 4: Quarterly Report Outline

1.0 Executive Summary
2.0 Demonstration Highlights
2.1 Since Previous Quarter
2.1.1 Major Tasks Completion
2.1.2 Activities Overview
2.1.3 Sub-Activities Overview
2.2 Next Quarter Forecast
2.2.1 Checkpoints/Milestone Progress
2.2.2 Planned Activities
2.2.3 Expected Changes
2.3 Issues
3.0 Work Plan & Budget Review
3.1 Phase Review
3.1.1 Activity 1.0
• Progress Assessment
• Issues
3.1.1.1 Sub-Activity 1.2
3.1.1.2 Sub-Activity 1.3
3.2 Work Plan
3.2.1 Updated Work Plan
3.2.2 Updated Budget
4.0 Conclusion
4.1 Lessons Learned
4.2 Recommendations

This demonstration project is a dynamic, first-of-its-kind collaboration between a utility, DER provider and an engaged community. It is expected that as this collaboration continues and develops, changes will be made to ensure the greatest amount of value is created for NYSEG, Taitem, and for the Tompkins County community. These quarterly reports will serve to provide an update on recent activity; lessons learned and anticipated changes to future activity. We are hopeful that these reports will be the catalyst for ongoing dialog with DPS Staff on demonstration project implementation. There is much to be learned in this demonstration project which is precisely why it is a “demonstration” project and not simply business as usual.