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REV Demonstration Project:  
Building Efficiency Marketplace

2016 3Q Quarterly Progress Report

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**Dated: October 31, 2016**

## Table of Contents

<b>1.0</b>	<b>Executive Summary</b> .....	<b>2</b>
1.1	Program Achievements.....	2
1.2	Cybersecurity And Personally-Identifiable Information Protection.....	2
1.3	Accounting Procedure Established.....	2
1.4	Costs, Benefits, And Operational Savings.....	2
1.5	Building Efficiency Marketplace.....	3
<b>2.0</b>	<b>Building Efficiency Marketplace – Quarterly Progress</b> .....	<b>4</b>
2.1	Demonstration Highlights.....	4
2.1.1	Since Previous Quarter - Major Task Completion.....	4
2.1.2	Activities Overview.....	4
2.1.3	Key Metrics.....	5
2.1.4	Next Quarter Forecast.....	5
2.1.5	Checkpoints/Milestone Progress.....	5
2.1.6	Planned Activities.....	5
2.1.6.1	Participating Market Partners Engaged In ECM.....	6
2.1.6.2	Customer And Market Partner Engagement.....	6
2.1.6.3	Projects Implemented.....	6
2.1.6.4	Revenue Realization.....	6
2.1.6.5	Project Impact.....	7
2.2	Changes To The Project Design.....	7
2.3	Work Plan & Budget Review.....	7
2.3.1	Phase Review.....	7
2.3.1.1	Phase Progress.....	7
2.3.2	Work Plan.....	8
2.3.2.1	Updated Work Plan.....	<b>Error! Bookmark not defined.</b>
2.3.3	Updated Budget.....	9
2.4	Conclusion.....	9
2.4.1	Lessons Learned.....	9
2.4.2	Recommendations.....	9
2.5	Included Appendices.....	10

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## **1.0 EXECUTIVE SUMMARY**

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Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) submits this quarterly report on the progress of the Building Efficiency Marketplace REV demonstration project (the “Project”) it is implementing as part of the Reforming the Energy Vision (“REV”) proceeding, as required by the *Order Adopting Regulatory Policy Framework and Implementation Plan*, issued by the New York State Public Service Commission (“Commission”) on February 26, 2015.

### **1.1 PROGRAM ACHIEVEMENTS**

On July 1, 2015, Con Edison submitted the Project for approval by Department of Public Service Staff (“DPS Staff”); on November 10, 2015 DPS Staff approved the Project. Con Edison filed an implementation plan for the Project with the Commission on November 20, 2015. In Q2 2016, the Company focused on the execution of the Project.

### **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. Due to the early stage of implementation for the Project, 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 will develop web-based portals to engage customers with details about how their buildings consume energy today, their potential energy savings and demand reduction opportunities, as well as the 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 Retroficiency, a leading provider of data analytics and software solutions to utilities and commercial customers.

In Q3 2016, the Project team launched the customer Portal, Energy Insights. The Portal provides energy efficiency recommendations to a test population of commercial customers. The execution of the Marketing Plan has commenced along with initial customer interactions. Stakeholders from across the Company have played an integral part in collaboration to advance the Project. Development and integration of the Marketplace environment has commenced. The Portal allows customers to identify specific measure level recommendations and develop potential projects. The Marketplace will allow customers to implement an energy efficiency project with experienced service providers.

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## **2.0 BUILDING EFFICIENCY MARKETPLACE – QUARTERLY PROGRESS**

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### **2.1 DEMONSTRATION HIGHLIGHTS**

#### **2.1.1 Since Previous Quarter - Major Task Completion**

- Launched customer Portal to Phase 1 customers
- Began implementation of the Marketing Plan
  - Mailers sent to Phase 1 customers
  - Targeted email campaign by individual account managers
  - High-touch outreach for the purpose of generating in-person meetings
- Completed Phase 0 tasks
- Executed contract with Marketplace provider, Honest Buildings
- Originated the development of the Marketplace
  - Creation of bid templates
  - API integration

#### **2.1.2 Activities Overview**

The Project team launched the Customer Portal, Energy Insights, to the Phase 1 population. This launch coincided with the implementation of the Marketing Plan, to bring this new offering to customers. The development of the Marketplace has begun, which will provide a platform for customers to interact with service providers.

Outreach to all of the Phase 1 customers has commenced. An initial mailer provided the customers with summary information of the recommendations for taking advantage of their potential energy efficiency opportunities, as well as a reference number for accessing the Portal. High-touch outreach to our customers from the account management team at Con Edison is underway. Initial customer outreach has produced positive feedback for the analytical assessments provided by the Portal. Similar feedback has been received regarding the future functionality of the Marketplace.

The Project team has added a new partner, Honest Buildings, for the incorporation of the Marketplace into the customer Portal. With Honest Buildings joining the Project team, not only will the tools for the customer be robust, the schedule for launch of the Marketplace will accelerate. Initial kickoff meetings have taken place and the Project team is working towards the creation of the bid templates and the development of the customer journey with potential integration points between the Portal and Honest Buildings.

### 2.1.3 Key Metrics

Con Edison will begin reporting measurements of key outcomes after the midpoint of Phase 1, in the 2017 Q1 report.

### 2.1.4 Next Quarter Forecast




In Q4 2016, the Project team will continue to bring the Portal to customers in alignment with the Marketing Plan. The feedback that is gained throughout these interactions will help serve the project team as to how to deliver these offering to customers in Phase 2 of the Demonstration. The integration of the Marketplace with the Portal will continue during Q4 2016, with full launch anticipated April 1, 2017.

### 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 Implemented	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 ECM**

**Status:** Green

**Expected Target by Phase 2 Start:** 30 market partners engaged

**Actual by Phase 2 Start:** N/A

**Solutions/strategies in case of results below expectations:** In line with root-cause analysis, actions may include reassessing targets, 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:** N/A

**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 Implemented**

**Status:** Green

**Expected Target by Phase 1 Midpoint:** 5% under contract

**Actual by Phase 1 Midpoint:** N/A

**Solutions/strategies in case of results below expectations:** In-line with root-cause analysis, actions may include 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:** Green

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

**Actual by Phase 1 End:** N/A

**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, 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 Phase 1 End:** 4.32 Million KWh

**Actual by Phase 2 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, 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 CHANGES TO THE PROJECT DESIGN**

After incorporating Honest Buildings into the Project team, a new timeline for launch of the Marketplace has been identified. As opposed to the launch coinciding with the start of Phase 2, in Q3 2017, we will be able to offer the Marketplace to customers April 1, 2017, at the start of Q2 2017. This change will be positive, as initial customer meetings have generated a significant interest in the Marketplace.

## **2.3 WORK PLAN & BUDGET REVIEW**

### **2.3.1 Phase Review**

#### **2.3.1.1 Phase Progress**

The 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 began in Q3 2016.



## 2.3.2 Work Plan

Demonstration Project - Building Efficiency Marketplace				2015				2016				2017				2018			
Activity No.	Activity Description	Status	Lead	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
<b>1.0</b>	<b>Phase 0 - Demonstration Planning</b>																		
1.1	Project Management	COMPLETE	Con Edison & Retroficiency																
1.1.1	Complete Implementation Plan	COMPLETE	Con Edison																
1.1.2	DPS Review	COMPLETE	DPS																
1.1.3	Complete MSA with partner	COMPLETE	Con Edison & Retroficiency																
1.1.4	Complete SOW with partner	COMPLETE	Con Edison & Retroficiency																
1.1.5	Marketing Planning	COMPLETE	Con Edison & Retroficiency																
1.1.6	Monetization Planning	COMPLETE	Con Edison & Retroficiency																
1.1.7	Engagement Specialist Onboarding	COMPLETE	Retroficiency																
1.2	Customer Portal Configuration	COMPLETE	Con Edison & Retroficiency																
1.2.1	Software Development (Configuration/Testing/Launch)	COMPLETE	Retroficiency																
1.2.1.1	Requirements Gathering	COMPLETE	Retroficiency																
1.2.1.2	Design Spec / Development	COMPLETE	Retroficiency																
1.2.1.3	Software Configuration/Testing	COMPLETE	Retroficiency																
1.2.1.4	Software/Launch	COMPLETE	Con Edison & Retroficiency																
1.2.2	Customer Validation and Access	COMPLETE	Con Edison & Retroficiency																
1.2.3	Internal Stakeholder Training	COMPLETE	Retroficiency																
1.3	Data Integration	COMPLETE	Con Edison & Retroficiency																
1.3.1	Define Data Integration Requirements	COMPLETE	Con Edison & Retroficiency																
1.3.2	Execute Systems/Data Integration	COMPLETE	Con Edison & Retroficiency																
1.3.3	Initial Data Transfer to Retroficiency	COMPLETE	Con Edison																
1.4	Building Analysis and Reporting	COMPLETE	Retroficiency																
1.4.1	Conduct/Update Virtual Energy Assessments (VEA)	COMPLETE	Retroficiency																
1.4.2	Post VEA results	COMPLETE	Retroficiency																
<b>2.0</b>	<b>Phase 1 - Demonstration Implementation</b>																		
2.1	Project Management	IN PROGRESS	Con Edison & Retroficiency																
2.2	Customer and Market Engagement	IN PROGRESS	Con Edison & Retroficiency																
2.2.1	Execute Marketing Plan/Customer Awareness Campaigns	IN PROGRESS	Con Edison & Retroficiency																
2.2.2	Customer Engagement Specialist	IN PROGRESS	Retroficiency																
2.2.3	Monetization Testing	IN PROGRESS	Con Edison & Retroficiency																
2.3	Customer Portal Configuration	IN PROGRESS	Retroficiency																
2.3.1	Continuous gathering of requirements for product enhancements	IN PROGRESS	Retroficiency																
2.3.2	Continuous release of updates (every 2 weeks)	IN PROGRESS	Retroficiency																
2.4	Building Analysis and Reporting	IN PROGRESS	Con Edison & Retroficiency																
2.4.1	Ongoing Data Transfers to Retroficiency	IN PROGRESS	Con Edison																
2.4.2	Ongoing Data Analysis (VEA)	IN PROGRESS	Retroficiency																
2.4.3	Ongoing Data Analysis (M&V)	IN PROGRESS	Retroficiency																
2.5	Efficiency Project Portal Configuration (Marketplace)	IN PROGRESS	Con Edison & Retroficiency																
2.5.1	Software Development (Configuration/Testing/Launch)	IN PROGRESS	Retroficiency																
2.5.2	Market Partner Validation and Access	IN PROGRESS	Con Edison & Retroficiency																
2.5.3	Internal Stakeholder Training	IN PROGRESS	Retroficiency																
<b>3.0</b>	<b>Phase 2 - Market Launch</b>																		
3.1	Project Management	NOT STARTED	Con Edison & Retroficiency																
3.2	Customer and Market Engagement	NOT STARTED	Con Edison & Retroficiency																
3.2.1	Execute Marketing Plan/Customer Awareness Campaigns	NOT STARTED	Con Edison & Retroficiency																
2.2.3	Monetization Testing	NOT STARTED	Con Edison & Retroficiency																
2.3	Customer Portal Configuration	NOT STARTED	Retroficiency																
2.3.1	Continuous gathering of requirements for product enhancements	NOT STARTED	Retroficiency																
2.3.2	Continuous release of updates (every 2 weeks)	NOT STARTED	Retroficiency																
2.4	Building Analysis and Reporting	NOT STARTED	Con Edison & Retroficiency																
2.4.1	Ongoing Data Transfers to Retroficiency	NOT STARTED	Con Edison																
2.4.2	Ongoing Data Analysis (VEA)	NOT STARTED	Retroficiency																
2.4.3	Ongoing Data Analysis (M&V)	NOT STARTED	Retroficiency																

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

### **2.3.3 Updated Budget**

Budget information is being filed confidentially with the Commission.

## **2.4 CONCLUSION**

### **2.4.1 Lessons Learned**

During the development of the project scope, the Company had experience in providing Virtual Energy Assessments (“VEAs”) to our customers and evidence that the VEAs drive customer engagement around energy efficiency. Working with our partner, it was assumed that the contents of the recommendations within the assessments would not alone be enough to develop a scope of work for a potential project. However, it was believed that the VEAs would be an insight into which building energy systems should be identified for efficiency opportunities.

Through our initial high-touch customer communications, the recommendations of the VEAs have provided great value in immediately driving the conversation to specific areas of need. The customers know their buildings and there is value in working together to incorporate existing building conditions into the assessments. The more detail we can provide to the VEAs, the more refined the recommendations become. As a goal is to drive energy efficiency projects for the customer, the next step will be to develop a detailed project scope of work.

### **2.4.2 Recommendations**

The Company recommends the continued high-touch outreach with Phase 1 customers. It is important to work with the Phase 1 customers to further refine the recommendations of the VEA, to develop a project scope of work. When the Marketplace is live, the customers will be able to utilize these developed scopes of work to maximize the value of the Marketplace.


## **2.5 INCLUDED APPENDICES**

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

Appendix A Building Efficiency Marketplace Customer Portal - Overview Mock Up  
(preliminary)

Appendix B: Building Efficiency Marketplace Description of Phases


# Appendix A: Building Efficiency Marketplace Customer Facing Portal – Overview Mock Up (preliminary)


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

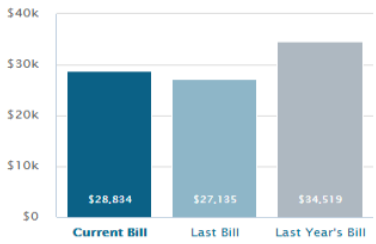
**\$28,834.39** ↓ 16% decrease since last year

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

**16% decrease in your consumption** 🔗

[View usage to get more details](#)

**Total Cost** | Cost / Day | Total Usage | Usage / Day




Category	Total Cost
Current Bill	\$28,834
Last Bill	\$27,195
Last Year's Bill	\$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?

11

**Appendix B: Building Efficiency Marketplace Description of Phases**

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