

Reforming the Energy Vision

Demonstration Project Q4 2016 Report

Community Energy Coordination



Table of Contents

- 1.0 Executive Summary..... 3
- 2.0 Demonstration Highlights since the Previous Quarter 3
 - 2.1 Activity Overview 3
 - 2.1.1 Activity: Service Provider Engagement 4
 - 2.1.2 Activity: Platform Development 4
 - 2.1.3 Activity: Marketing Plan 5
 - 2.1.4 Activity: Community Engagement 5
 - 2.2 Metrics and Checkpoints..... 6
- 3.0 Work Plan..... 7
 - 3.1 Budget Review 7
 - 3.2 Updated Work Plan..... 8
 - 3.3 Next Quarter Planned Activities 9
- 4.0 Conclusion..... 9

1.0 Executive Summary

New York State Electric & Gas (“NYSEG” or “the Company”) submits this quarterly report on the progress of the Community Energy Coordination (CEC) demonstration project. The CEC demonstration project is attempting to reduce customer barriers to the adoption of distributed energy resources (DER). The project team has hypothesized that NYSEG can reduce the cost of and support increased adoption of DER by taking on various roles within the DER value chain including:

- Facilitating community input to ensure solutions are in support of community energy goals and that synergies are identified with existing clean energy initiatives;
- Acting as a sales agent for DER service providers to leverage NYSEG’s connection with customers; and
- Acting as a market coordinator to ensure customers are connected with DER service providers and other relevant information in a manner that supports an efficient DER market

Through the CEC project NYSEG will facilitate the marketing of three different DER’s; residential solar, community solar, and energy efficiency services, directly to its customers. Customers will be encouraged to go to an online services marketplace where they will be able to gather information and connect with participating service providers.

During Q4 2016 the project focused on identifying and qualifying participating DER service providers. There was also increased focus and activity on website development and marketing planning.

2.0 Demonstration Highlights since the Previous Quarter

2.1 Activity Overview

Major accomplishments during Q4 2016 included:

- Developed and released a service provider request for proposals (RFP)
- Developed participation terms, reviewed proposals and issued “participation offers” to selected service providers
- Added Energy Sage as a member of the project team
- Developed a customer facing project name and URL

2.1.1 Activity: Service Provider Engagement

Service provider engagement during the fourth quarter was centered on the request for proposals (RFP) process. On October 7, 2016 NYSEG issued an RFP to those service providers who had replied to the previous request for information (RFI) and indicated that they were interested in participating in the demonstration project. The RFP gathered information related to the service providers experience and track record delivering solar and/or energy efficiency, their customer service practices, and additional input regarding the demonstration project.

NYSEG received twelve proposals from ten different companies. One bidder offered proposals for both residential solar and energy efficiency and another bidder offered proposals for both residential and community solar.

- Residential Solar: Six proposals
- Community Solar: Two proposals
- Energy Efficiency: Four proposals

NYSEG developed participation terms and issued “offers to participate” to eight service providers representing ten total services.

The terms for participation include:

Residential and Community Solar Lead Generation Fee of [REDACTED] for each lead that converts to a signed contract.

Energy Efficiency Lead Generation Fee of [REDACTED] of the contract value for each referral that ends in a signed contract for market rate work and [REDACTED] of the contract value for each referral that ends in a signed contract for the subsidized EMPOWER rate work.

Next Steps

Service providers were given until January 13, 2017 to accept the terms for participation¹. Once agreements are established the project team will conduct one-on-one onboarding sessions with each participating service provider. These sessions will focus on process, communications, and marketing.

2.1.2 Activity: Platform Development

NYSEG is partnering with Simple Energy and Energy Sage to deliver the online platform for connecting customers with participating service providers. The online platform will be NYSEG branded and will be

¹ All service providers who were offered an opportunity to participate have accepted the terms for participation.

designed to be an information resource for customers while facilitating customer exploration of service provider offerings.

The customer facing project name will be NYSEG YES Home Solutions and will utilize www.yeshomesolutions.com as a URL. This name leverages the existing YES branding that is utilized by both the NYSEG and RG&E energy efficiency programs and stands for **Your Energy Savings**.

Simple Energy will host the home page, a series of energy efficiency pages with information about participating service providers and a lead capture form, a series of community and rooftop solar pages including a lead capture form that will link to a NYSEG branded solar marketplace hosted by Energy Sage.

The Energy Sage Solar Marketplace will provide additional educational resources, and will allow customers to receive and compare quotes from the participating service providers. Customers will be able to compare service provider offerings including warranties, panel types and ratings, inverter types, financing options, price, and previous customer reviews.

2.1.3 Activity: Marketing Plan

During the 4th quarter NYSEG conducted market research to build a better understanding of its customer base in Tompkins County. The market research identified four broad segments for Tompkins County based on primary motivators for taking action on conservation and / or self-generation. This market research will be leveraged to develop messages that resonate with customers.

Marketing will be delivered through the following primary channels:

- Email
- Direct Mail
- Local Advertising
- Event Sponsorship
- Word of Mouth

NYSEG continues to analyze how data can be effectively leveraged in order to deliver value for customers.

2.1.4 Activity: Community Engagement

During the fourth quarter of 2016 the project team held another meeting with the established Community Advisory Board where input was received regarding NYSEG's perceived strengths,

weaknesses, opportunities and threats as they relate to communication with residential customers. This insight is taken into consideration in the marketing plan.

Multiple additional discussions regarding this project were held with various other community stakeholders throughout the quarter.

2.2 Metrics and Checkpoints

Table 1: Completed Checkpoints

Check Point	Completed
Defined Product Offering	Included in Q1 2016 status report
Identify Target Customers	Q4 2016

Table 2: Check Points

Check Point	Description
Program Design	Measure: Detailed product offering with defined roles, schedule, and deliverables for each participating company How: Detailed operational plan Original: Q4 2016 Update: Q1 2017 (Awaiting service provider onboarding)
Community Stakeholder Support of Project	Measure: Community stakeholders support the project How: Community Advisory Board expresses satisfaction with the project When: Q2 2017
Customer Response	Measure: Eligible customers response to project communications How: Customer contact tracking Target: 8% response rate When: Q2 2017
Customer Adoption	Measure: Eligible customers commitment to project offerings How: Customer sales Target: (will refine with input from service providers) When: Q3 2017
Revenue Generation	Measure: Lead fees generated How: Documented total lead fees paid by participating service providers Target: At least \$240 per lead When: Q4 2017
Program Efficiency	Measure: Customer acquisition costs are lower than business as usual How: Documented CEC acquisition cost per # of enrolled customer Target: =< participating service provider benchmark When: Q4: 2017
Service Provider Satisfaction	Measure: Participating service providers are satisfied with the CEC project How: Survey of participating service providers

	Target: >85% satisfaction with the project When: Q4 2017
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3.0 Work Plan

3.1 Budget Review

[Redacted text]

[Redacted text]

	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted text]

3.2 Updated Work Plan

Table 4: 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							
Phase 2: Project Planning and Market Solicitation											
Activity 2.1: Service Provider Engagement	NYSEG / Taitem										
Issue service provider RFI's	NYSEG										
Benchmark two successful community-based programs to ID best practices	Taitem										
Identify and engage with potential residential solar service providers	Taitem										
Identify and engage with potential sponsors of Community Solar arrays	Taitem										
Identify and engage with potential energy efficiency service providers	Taitem										
Milestone: Issue Service Provider RFP											
Review proposals and develop terms	NYSEG / Taitem										
Provide offers to service providers for participation	NYSEG										
Collaborate with selected service providers on program details	NYSEG / Taitem										
Milestone: Contracts With Service Providers											x
Activity 2.2: Platform Development	NYSEG / Simple										
Define initial platform scope and specifications	NYSEG										
Milestone: Begin Platform Development											
Facilitate service provider requirements workshop	NYSEG / Simple										
Build platform	Simple Energy										
Test platform	NYSEG / Simple										
Milestone: Platform Ready for Go-Live											x
Activity 2.3 Refine Project Metrics	NYSEG / Taitem										
Draft Business Models for each DER	NYSEG / Taitem										
Milestone: Update Business Models with revenue projections											x
Phase 3: Customer Solicitation											
Activity 3.1: Marketing Plan Development	NYSEG / Taitem										
Market research	NYSEG / Taitem										
Create Marketing Materials	NYSEG / Taitem										
Establish co-marketing with stakeholders	NYSEG / Taitem										
Milestone: Marketing Plan Completed											x
Activity 3.2: Active Marketing	NYSEG / Taitem										
Targeted marketing	NYSEG										
Public awareness campaign through multiple channels	NYSEG / Taitem										
Milestone: Awareness and Response Targets Met											x
Phase 4: Market Animation											
Activity 4.1: Sales Completion	NYSEG / Taitem										
Work with DER service providers to optimize results	Taitem										
Work with NYSEERDA to share data	NYSEG / Taitem										
Measure customer satisfaction	NYSEG / Taitem										
Milestone: Sales Target Met											x
Phase 5: Evaluation											
Activity 5.1: 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

3.3 Next Quarter Planned Activities

Activity in the first quarter of 2017 will focus on three areas.

1. Service provider engagement, contract execution and onboarding
2. Online platform refinement, testing, training, and launch
3. Marketing plan completion and preliminary execution

Service Provider Engagement

- Collaborate with selected providers on program details through onboarding sessions with owners/managers and then with service provider's sales teams to ensure an understanding of the CEC project.

Platform Development

- Complete the platform build
- Test platform
- Demonstrate with service providers and key local community members

Marketing Plan Development

- Create marketing materials
- Establish co-marketing with stakeholders
- Execute marketing

4.0 Conclusion

The CEC project team continues to embrace a “learn as you go” mentality. This approach has allowed the scope to be refined and has allowed input and collaboration with multiple stakeholders, including DER service providers and community leaders. The team has continued to evaluate the best way to deliver the project and this flexibility has allowed the development of partnerships with Simple Energy and Energy Sage.