

Reforming the Energy Vision

Demonstration Project Q2 2016 Report

Energy Marketplace



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1.0 Executive Summary

The RG&E Energy Marketplace demonstration project will be an e-commerce site to test energy related online transactions, customer satisfaction, and delivery of more comprehensive energy solutions for our customers. The Marketplace platform will further test methods to customize, engage, and grow the market, while better connecting with customers on a range of DER offerings through targeted marketing and tailored content.

The RG&E Energy Marketplace was approved by the Department of Public Service “DPS” Staff during the first quarter of 2016 and their project assessment report was issued on March 15, 2016. During Q2 2016, RG&E and its partner Simple Energy, a third party specializing in digital customer engagement, entered into a mutual services agreement and began project kick off activities. RG&E filed the Energy Marketplace Implementation Plan with the New York State Public Service Commission on April 15, 2016 and held project kick off meetings with Simple Energy on April 21-22, 2016. The remainder of the 2Q focused on planning and design to include marketing strategy and plan development, branding, product offerings and rebate amounts, and data sharing requirements.

This report provides an overview of project activities and progress made toward implementation during the second quarter of 2016. We plan for the RG&E Energy Marketplace to launch during August, 2016.

2.0 Demonstration Highlights

2.1 Since the Previous Quarter

This is the first quarterly report filed with the Public Service Commission.

2.1.1 Major Tasks Completed

Key highlights during the second quarter include:

- Signed Mutual Services Agreement with partner, Simple Energy
- Held project kick off workshops with other internal areas of the business
- Approval of the store name
- Approval of marketing strategy and plans

2.1.2 Activities Overview

During the 2Q 2016, kickoff meetings and planning workshops were held in partnership with AVANGRID and Simple Energy with the objectives to move toward program implementation.

The following internal stakeholders and customer facing areas of the business were included in these meetings:

- Energy Efficiency (EE)
- Demand Response (DR)
- Marketing / Sales
- Consumer Marketing
- Customer Communications
- Customer Service
- Information Technology (IT)

Overall during the 2Q, in partnership with Simple Energy we finalized the store branding and content and officially named the store: Your Energy Savings Store. The naming convention aligns with our 'Your Energy Savings' marketing material and campaigns already developed and being used for Energy Efficiency Programs. Additionally, the draft marketing strategy and plan were developed as well as our customer communications plan.

We also developed an initial list of product offerings and identified rebate levels through coordination with our energy efficiency program managers. Coordination with our EE programs will result in both positive energy saving achievements and provide customers with a larger selection of product offerings with rebates. At launch, the RG&E Your Energy Savings Store will offer programmable thermostats, LED lighting, advanced power strips, and water every savings products.

Discussions were also initiated to leverage the Energy Marketplace portal to offer services for the Community Energy Coordination (CEC) demonstration project. Negotiations will continue in the coming months and updates will be included in future reports.

Activities have also been ongoing to fulfill data integration requirements. We expect to have a secured file transfer protocol (SFTP) established with Simple Energy and testing and sharing of data during 3Q 2016.

2.2 Next Quarter Forecast

2.2.1 Checkpoints

Following the launch of the RG&E Your Energy Savings Store, we will measure the checkpoints below as outlined in the Implementation Plan filed April 15, 2016.

Check Point	Description
Customer Marketing Engagement	<p><u>Measure:</u> Marketing KPIs (Opens, Click-throughs, Conversions...) <u>How and When:</u> Monthly, using marketing analytic tools <u>Expected Target:</u> 25% Open rate for emails received, and 3% click-through rate for emails received, 2.5% conversion rate for customers who visit the site following each campaign. Results will be formally reported quarterly representing monthly data.</p> <p><u>Solution/Strategy if expectations are not met:</u> Evaluate marketing strategy, evaluate communication methods/channels and evaluate/establish optional advertising levels.</p>
Sales / Transactions	<p><u>Measure:</u> Number of Transactions, Average Price per Transaction <u>How and When:</u> Quarterly, using Marketplace Portal data <u>Expected Target:</u> 9,000 transactions quarterly, \$260 per transaction. Will report quarterly noting pace towards annual target.</p> <p><u>Solution/Strategy if expectations are not met:</u> Evaluate and add/change offerings; evaluate and add/change price structure; conduct customer survey to obtain direct suggestion/feedback; add additional marketing/PR channels.</p>
Incentivized Offers	<p><u>Measure:</u> Number of Transactions per incentive, Percent Increase <u>How and When:</u> Quarterly, using Marketplace Portal Data <u>Expected Target:</u> 5% overall Increase in transactions over previous quarter. Will report results quarterly.</p> <p><u>Solution/Strategy if expectations are not met:</u> Evaluate and add/change incentive structure. Conduct customer survey to obtain direct feedback.</p>
Customer Satisfaction	<p><u>Measure:</u> Customer Satisfaction using Net Promoter Score <u>How and When:</u> Quarterly, Net Promoter Score (NPS) uses short 1 -2 question survey to establish propensity of a customer to promote or reflect positively about your brand displayed on an 1-10 scale. AVANGRID will conduct random survey across a random sample of customers (Ideally 200 – 400 respondents) to establish baseline before launch of Marketplace. Each Quarter after launch random samples of customer surveys will be conducted to gather NPS scores and reported on. <u>Expected Target:</u> 8+ showing that the average customer engaging with new program is satisfied or even loyal enthusiasts who will keep buying and refer others.</p> <p><u>Solution/Strategy if expectations are not met:</u> Evaluate and modify customer experience. Conduct follow up survey to obtain direct customer feedback.</p>

2.2.2 Next Quarter Planned Activities

In 3Q 2016, activities will continue regarding data integration to include set up and testing of the SFTP site as well as the exchange of customer segmentation and rebate eligibility data. Additionally, we will continue with development and refinement of marketing plans, email campaigns and customer communication plans. We will also provide employee communication and training. A soft launch to employees is anticipated in early August followed by a full launch to RG&E customers by the end of August.

Coordination with the CEC demonstration to include DER services on the Energy Marketplace portal will also continue. Additionally, as the Demand Response program Bring Your Own Thermostat moves from an acquisition phase to an implementation phase we will leverage the marketplace as a distribution channel for that program.

2.3 Issues

There are no major issues to report at this time.

3.0 Work Plan & Budget Review

3.1 Updated Work Plan

The work plan as outlined in the Implementation Plan filed on April 15, 2016 generally described the amount of time anticipated to complete activities but it did not provide specific dates.

The updated project plan with more specificity of timelines is provided below:

	2016	2016	2016	2017	2017
Marketplace Project Plan	Q2	Q3	Q4	Q1	Q2
Phase 0					
Planning Workshops and Artifacts					
Program Design Workshop					
Customer Marketing Workshop					
Merchandising Workshops					
Reporting Workshop					
Final Review of Artifacts					
Integrative Site Build out and Configuration					
Deploy Marketplace Infrastructure					
Add Site Content and Merchandise					
Configure Customer Support Platform					
Configure Retargeting and SEO Advertisements					
Configure Email Service					
Marketplace Data Integration Activities					
Integrate Customer Data					
Create Rebate Reconciliation Process					
Integration Testing and Launch Prep					
Marketing Content Creation					
Email Copy					
Paper Mailers					
Press Releases/Earned Media					
Bill Inserts					
User Acceptance Testing					
Training					
Phase 1					
Marketplace Launch (1st wave of products)					
Marketplace Marketing Plan Execution					
Pre-launch Press Release					
Execute marketing plan					
Phase 2					
Add products and fixed fee services offerings					
Project Evaluation / Scale to NYSEG					

3.2 Budget Review

	Q2, 2016
Project Budget	\$ ██████████
Actual Spend	\$ ██████████
Variance	\$ ██████████

4.0 Conclusion

During the 2Q 2016, RG&E and Simple Energy have completed important steps toward implementation and the actual launch of the Energy Marketplace portal. The RG&E Your Energy Savings Store will offer our customers an array of energy related products to help them manage energy usage. As the project evolves, we will continue to collaborate with EE and DR activities to expand offerings and provide greater value to our customers.

4.1 Lessons Learned

Understanding the integration requirements has been a critical component of project implementation. Weekly cadence meetings have been established specifically for IT integration and data sharing and validation. Close and concise communications between RG&E, AVANGRID and Simple Energy will continue throughout implementation of the project.

4.2 Recommendations

This section will be addressed in future reports.