



REV Demonstration Project Implementation Plan

CONnectED Homes Platform

Date: January 29, 2016

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Executive Summary

This Project Implementation Plan (Plan) for Consolidated Edison Corporation of New York, Inc.'s (Con Edison or the Company) CONnectED Homes Platform Reforming the Energy Vision (REV) Demonstration Project (the Project) sets forth the Project's design, roles and responsibilities, demonstration work plan and budget, and reporting plan.

The Project outline, dated July 1, 2015 was provided to the Department of Public Service (DPS) Staff (Staff) in compliance with Ordering Clause 4 of the Commission's *Order Adopting Regulatory Policy Framework and Implementation Plan*, issued and effective February 26, 2015. On November 20, 2015 the Company provided an addendum to Staff that incorporates Staff comments and recommendations received following the July 1 filing. On January 8, 2016 DPS Staff issued a detailed assessment of the Project outline (Assessment Report), noting the Project's alignment with the objectives of the REV proceeding, and including a discussion of the project implementation plan to be filed by Con Edison. This Plan implements the Project as set forth in the Project outline and the addendum. The Plan is necessarily a living document and may be updated during Project execution to new information or circumstances. Test hypotheses, population, and scenarios, based on market analysis and estimation, may change over the course of the demonstration, requiring updates to the scope, schedules and costs of the Project.

Con Edison, in this Project, uses a layered approach to engage customers, offering customers access to three broad channels of information about Distributed Energy Resources (DER):

- Proactive, targeted outbound marketing campaigns designed to drive engagement around the most valuable and highest-priority DERs;
- An online marketplace that engages in-market customers as they are shopping for household energy and energy-consuming products and services; and
- Product offers for customers creating new accounts through the Con Edison contact center.

The Project will be executed in four phases:

- Phase 0: Project Development;
- Phase 1: Project Launch;
- Phase 2: Demonstration Implementation; and
- Phase 3: Project Optimization.

The CONnectED Homes Platform REV Demonstration Project aims to achieve the following qualitative benefits:

- An expanded market for DERs through increased market integration and partnerships between Con Edison and a broad network of DER providers;
- Increased alignment between Con Edison's market incentives and the energy management needs of its customer base;

- Improved knowledge about strategies for acquiring customers for DER providers, which can help lower the costs to acquire customers for these products and services;
- More engaged customers that have the tools to better understand their energy use and take actions to use energy more efficiently;
- Improved customer access to personalized information about available energy services and products; and
- An evaluation of alternative rate designs that can provide greater overall system efficiency and enable customers to better manage their bills.

As suggested in Staff's Assessment Report, the demonstration project could bring even more value to customers if the platform includes Green Button capability that allows customers to download their own energy usage information and share it with third parties. The Green Button download feature will be a part of the base Opower platform and the participants of the CONnectED Homes demonstration project will be able to utilize this function.

Section 1: Demonstration Design

The Project has four phases (see Table 1), which are incremental and may overlap. This section will detail the hypotheses being evaluated, the population targeted and scenarios being evaluated. Checkpoints, detailed in Section 1D, will be utilized to monitor and inform progress. Throughout the phases and scenarios, customer engagement, energy efficiency, and demand management impacts will be continuously evaluated in order to inform future rate design and the development of a future Distributed System Platform.

The Company will launch the Project with two partners (Opower, and Bridgevine) and an initial qualified group of two DER product partners (Nest and SunPower)¹. The Project is planned to span from launch in early 2016 through mid-2018, when the Company will determine whether the CONnectED Homes Platform (the Platform) meets the criteria established for a territory-wide rollout.

Table 1: Project Phases

| Phase | 0. Project Development | 1. Project Launch | 2. Demonstration Implementation | 3. Project Optimization |
|--------------------------------------|---|--|---|---|
| Milestone (Stage Gate to Next Phase) | Negotiations Complete <ul style="list-style-type: none"> Partner contracts signed DPS approval | Successful Platform Build: <ul style="list-style-type: none"> Attract vendors in key categories Successful data transfer | Platform Utilization: <ul style="list-style-type: none"> Click through rates Qualified leads Contact center volume Vendor retention Customer satisfaction | Revenue Realization: <ul style="list-style-type: none"> Revenue per source Customer satisfaction Vendor retention |
| Key Elements | <ul style="list-style-type: none"> Platform provider contracted DER providers signed-on | <ul style="list-style-type: none"> Develop platform End-to-end testing Contact center training Program go-live | Evaluate response of specific audiences to <ul style="list-style-type: none"> DER combinations Channels Messages | <ul style="list-style-type: none"> Learn how to leverage more granular customer data Optimize profit by refining categories and pricing Optimize for energy efficiency gains |
| DER Categories | N/A | N/A | <ul style="list-style-type: none"> Rooftop solar Home energy efficiency audits Smart thermostats | <ul style="list-style-type: none"> Further expansion of DER products and providers Expand to ESCOs |

Through this Project, Con Edison will deploy the CONnectED HOMES Platform (Figure 1), a comprehensive customer engagement system (digital, marketing and contact center) in order to bridge the gap between DER providers and their customers. The Company will do so by

¹ Con Edison's original project outline dated July 1, 2015 stated three qualified DER partners. Recently, one of the three partners, HomeServe, chose to withdraw from the project. Con Edison will seek additional DER project partners.

delivering personalized communications about energy usage combined with actionable insights and specific energy-related offers that are matched with a customer’s personal energy profile. The Company hypothesizes that the Project will lower the cost of customer acquisition for DER providers and has the potential to:

- Generate \$1.57M in new revenue for Con Edison;
- Prompt customers to invest in more than 77,700 different DER products and services; and
- Deliver 75,000 MWh in lifetime² savings from the sale of energy efficient products and adoption of cost-effective behavioral energy efficiency for customers and the State of New York.

Figure 1: CONnectED Homes Platform



Targeted Marketing Campaigns (“Campaigns”): Con Edison’s partner, Opower, will market to customers with individually targeted communications (e.g., Home Energy Reports (HERs) and high bill alerts) designed to motivate customers to actively participate in DSM activities. In addition, through Con Edison’s DER partners these marketing campaigns will provide an individually targeted content about DERs that offers highly valuable energy management opportunities for each customer. Each new potential customer for a large DER investment (e.g., rooftop solar installation) is extremely valuable to the energy system as a whole, but these

² Lifetime savings for product sales from the marketplace are calculated by multiplying the measure lives of a set of products that will be promoted on the marketplace, forecasted savings for those products based on current market data from the marketplace platform, and projected purchases influenced to more efficient models for each product on ConEd’s marketplace.

customers often require an additional layer of engagement for DER providers to recruit at scale. Through proactive marketing campaigns, the Platform links customer energy insights with personalized offers for DER product partners to create an additional layer of engagement. Each outbound campaign serves to reinforce Con Edison's core DSM and customer engagement priorities as well, by weaving in additional recommendations for DERs and seamlessly embedding links in correspondence back to the marketplace portal and to Con Edison's existing efficiency, demand response and digital engagement initiatives.

Online Marketplace: Con Edison's partner Opower, in partnership with Enervee, will provide a unique Marketplace website that will enable customers to understand DER products' energy efficiency benefits. The Marketplace will fill a specific gap in the market for large energy consuming appliances, providing a clear source of independent, high quality information about product energy usage benefits in combination with customer reviews and pricing. It will aggregate available products and consumer reviews from major websites, and provide an independent energy score that is more selective and informative than currently available rating systems. Customers will have access to a comprehensive suite of tools designed to help them make informed DER choices - including product information, unbiased energy ratings, energy insights, and customer reviews. The Marketplace website will link customers directly to retailer websites where they can purchase DERs at competitive prices. Customers will also have the opportunity to make direct purchases of small energy saving products on the Marketplace website itself. The Marketplace will be completely digital, and will be promoted through a comprehensive online and outbound communications strategy, tied to the targeted campaigns, in order to drive customer participation.

Third Party Contact Center: Con Edison's partner Bridgevine will make trained contact center staff available to customers establishing new utility accounts. During customer engagement, Bridgevine's contact center staff will be able to discuss customers' individual energy needs, educate customers about the value of specific DERs (e.g. rooftop solar, home energy audits, energy efficient appliances, and smart thermostats), and refer interested customers to the DER product partners featured in the targeted campaigns. Bridgevine's contact center will provide this service to Con Edison's customers irrespective of where in the Company's service territory the home is located. Moving into a new home is a key moment in the utility customer lifecycle. It is a time when customers are making important decisions about the energy products and services in their homes — and it is precisely the time when a utility can add the most value as a trusted energy advisor.

The Project will use the latest in behavioral science and user experience design to motivate customers and engage them around DER opportunities. Each communication begins with energy use insights to capture a customer's attention, and then builds upon these insights with personalized DER information and recommendations. Program offers will unfold over a series of targeted communications delivered monthly in both digital and paper form, reinforced by website information. This approach gives Con Edison multiple touchpoints and opportunities to reach customers, while reinforcing the highest priority messages for customers who are not typically actively engaged in managing their energy use.

The Project is designed to ensure that Con Edison can reach all of its customers, across all demographic categories. For all customers, the marketplace portal represents a powerful interactive exchange for linking households to DER choices. Proactive email communications will build on this impact by linking customers who are digitally engaged with Con Edison back to DER offers and other existing Con Edison energy efficiency programs. Even in today’s increasingly digital world, however, direct mail communications³ remain the most impactful channel for motivating customers to take specific actions. And for the fifty percent of customers who have not yet engaged digitally with Con Edison - including many hard to reach elderly, low income, or low-access-to-technology customers - direct mail remains the only available engagement channel. The Project will deploy these direct mail communications where they will be the most valuable, among the segment of customers who are the highest priority targets for Con Edison’s DER partners and who will benefit most from the addition of this additional layer of engagement.

By successfully linking customers with a broad spectrum of DER choices, the Platform will establish itself as a high-value channel for DER providers to make their products and services available to customers in Con Edison’s territory. The Project will enable Con Edison to earn revenue from partners and DER providers through impact on product sales and through advertising opportunities available through each channel. In this way, the Project will also serve to align Con Edison’s incentives with the success of the market for DERs across its territory.

A) Test Statements

Table 1-A-1 below articulates the specifics of the Project along with the underlying hypotheses that forms the basis of the test. Each hypothesis provided represents a potential product or service that will be offered to customers during the Project.

Table 1-A-1: Test Statements

| Test Statement | Hypothesis |
|--|---|
| <p>We believe... that the Project will accelerate DER adoption among customers in Con Edison’s territory.</p> | <p>If... customers have access to an on-line marketplace of energy products and services, and the utility also promotes DERs with the most valuable energy-management opportunities for customers through proactive lead nurturing campaigns (both proactive, customized communications and digital advertising)</p> |

³ For the purpose of the Project, “direct mail communications” refer to HERs. Customers still perceive mail to be the most trustworthy channel to receive information from their utility, and customers consistently open and recall mailed-reports at higher rates than any other type of communication. The HERs contain usage information (e.g., neighbor and historical comparisons), behavioral messaging designed to prompt customers to take energy saving actions, recommendations for a broad range of efficient products and services that can be purchased on the marketplace or accessed through existing Con Edison DSM programs, and promotions for Con Edison’s DER product partners.

| Test Statement | Hypothesis |
|---|--|
| | <p>Then... the project will generate up to 77,700 sales of DERs including: up to 2,700 sales of high-value DERs through DER product partners (1a); and up to 75,000 sales of appliances, electronics, and small energy products through the marketplace (1b)</p> <p>Then... overall awareness of DERs in Con Edison’s territory will improve as measured by customer satisfaction surveys (1c)</p> |
| <p>We believe... the Project will increase market efficiency and drive meaningful new revenue streams for Con Edison.</p> | <p>If... high-value DER campaigns are targeted to customers based on their demographic and energy profiles and paired to a marketplace with energy insights, rich products and purchasing information</p> <p>Then... the Project will generate up to \$1.57M in revenues, including: up to \$920,000 in revenues from DER providers (2a); and, up to \$650,000 in revenues from DER product partners in the marketplace (2b)</p> |
| <p>We believe... the Project will deepen customer engagement with energy information and generate system benefits including energy efficiency and emission reductions.</p> | <p>If... customer communications contain personalized energy insights and behavioral messaging such as normative comparisons, easy-to-understand product energy use, and recommendations linked to existing Con Edison DSM programs</p> <p>Then... Customers will save up to 75,000 MWh of energy (lifetime), including: up to 27,700 MWh (lifetime) through behavioral changes (3a); and up to 47,300 MWh (lifetime) through purchases of efficient products (3b)</p> <p>Then... participation in featured Con Edison DSM programs will increase by up to 10% (3c)</p> |

B) Test Population

This Project’s targeted campaigns and online marketplace will focus on residential customers in the Brooklyn and Westchester sections of Con Edison’s service territory. Since Con Edison’s contact center serves customers establishing new accounts throughout its entire service territory, the population for that channel will be segmented based on housing ownership status and will not be restricted to Westchester and Brooklyn. Table 1-B-1 below describes the test population’s characteristics with respect to the overall population and specifies the selection method.

In order to test the effectiveness of the Project, eligible customers that meet each set of criteria for the proactive outbound channels will be randomized into a treatment group and a control group. Customers in the treatment group will receive communications on an opt-out basis, while customers in the control group will not receive proactive communications. Historic customer electric energy usage data and demographic parcel data will be used to select the test population for each track.

Segmentation is based on characteristics that define the ideal target population for vendors of specific DERs. Segments are not mutually exclusive; households that meet the criteria for more than one DER can receive more than one promotional campaign over the course of the year. Customers will be organized into different tracks, which each receive a specific combination of DER promotions as described in Section 2(C), Test Scenarios. The tracks will be randomized separately and are each sufficiently large to generate statistically valid results measurements.

Table 1-B-1: Test Population

| Test Event | Test Population Description | Selection Method |
|--|--|--|
| Online marketplace and customer web portal: | All residential customers in Brooklyn and Westchester | - Provide services as baseline for whole test population |
| Contact center resources | New residential customers (new movers) throughout the Con Edison service territory | - Directed to Bridgevine’s contact center - Meet one of below proactive outbound channels for highest value DERs selection criteria - Customers who are obtaining utility services |
| Proactive outbound marketing campaigns | Rooftop solar | - Brooklyn and Westchester residential customers - Single-family homeowners - High Energy usage (e.g. usage > 5,800 kWh/year) |
| | Energy Efficient Appliances | - Brooklyn and Westchester residential customers - Single-family homeowners - Mid- and High energy usage (e.g. usage > 2,400 kWh/year) |
| | Smart Thermostats | - Brooklyn and Westchester residential customers - Single-family homeowners - Small multi-family (2-4) unit homes - Mid- and High energy usage (e.g. usage > 2,400 kWh/year) |

* In Phase 2, the qualified DER products consist of Nest and SunPower. During Phase 3, Con Edison will conduct a Request for Proposal (RFP) process to evaluate and qualify additional DER product categories and providers for participation and evaluation within this demonstration.

C) Test Scenarios

Table 1-C-1 below defines the different test scenarios, recognizing that some of these may evolve through iteration and be informed by actual Project results.

Table 1-C-1: Test Scenarios

| Scenario | Description |
|--|--|
| DER sales test | <p>Test the rate at which customers engage with both the Marketplace and the proactive campaigns and assess the relative effectiveness of each channel at generating DER sales.</p> <ul style="list-style-type: none"> - All Platform customers (1,115,000 in Brooklyn and Westchester) will receive access to a Marketplace website that can link them with opportunities to purchase efficient products and services as well as access to information on DER offers provided by Bridgevine’s contact center representatives - ~25% (270,000) of the Platform customers will also receive HERs that provide information about the DERs that would provide them with the most valuable energy management opportunities (selected according to the criteria in Section 1B) |
| <p>Product combination, channel, and content effectiveness test</p> | <p>Targets 25% (270,000) of customers who will receive personalized communications</p> <ol style="list-style-type: none"> 1. Product combination test: Test the relative effectiveness of the outbound campaigns at generating qualified leads or sales for each of the following product combinations <ul style="list-style-type: none"> • 50% of the targeted group will receive campaigns for both solar and another category to be identified (e.g. home energy services) • 30% of the targeted group will receive campaigns for both smart thermostats and another category to be identified (e.g. home energy services) • 20% of the targeted group will receive a campaign for smart thermostats only 2. Channel test: Assess the relative effectiveness of each outbound channel at generating DER sales to groups within above product combination test scenario <ul style="list-style-type: none"> • 50% of the targeted group will receive promotions via direct-mail only • 50% of the targeted group will receive a mixed digital and direct-mail experience 3. Content effectiveness test: Assess different types of content and messaging, including testing subject lines, specific messages (e.g., monetary savings estimates), design/images, use of customer data in promotions, and other tests that become relevant during the program <ul style="list-style-type: none"> • Populations will be split into treatment and control to conduct A/B testing. |
| <p>Digital engagement test</p> | <p>Test four different strategies for generating traffic to the Marketplace website:</p> <ol style="list-style-type: none"> 1. Keyword search 2. Display ads on websites with relevant content 3. Display ads shown to customers with relevant search or browsing history 4. Promotions embedded in outbound content delivered to customers (e.g., |

| Scenario | Description |
|-------------------------------|---|
| | <p>emails and direct-mail reports)</p> <p>Track the actions of customers who enter the website through each channel to test the relative impact of the enhanced channel on a variety of metrics, including:</p> <ul style="list-style-type: none"> • Time spent on the website • Pages viewed • Click-through to retail sites • Small energy product purchases completed |
| Energy efficiency test | <p>Test variation in energy savings based upon the different channels and messages customers receive</p> <ul style="list-style-type: none"> - Content delivered to customers through proactive outbound channels generates energy and peak load savings by motivating customers to make changes to the ways they use energy (behavioral energy efficiency) - Focus on customers eligible to receive outbound communications - Utilize a randomized control trial methodology to measure energy savings realized by treatment customers |
| Revenue stream test | <p>Test the Platform’s ability to generate revenue for Con Edison from the Marketplace suite and from proactive DER promotions. Total revenue earned from each of these revenue streams, on an annual basis, will be analyzed to determine the relative contribution of each revenue generation strategy to overall revenues from the Platform.</p> <ol style="list-style-type: none"> 1. Marketplace suite: <ul style="list-style-type: none"> • Advertising fees for promotions placed on the Marketplace portal; • Retail margin earned from sales of small energy products completed directly on the Marketplace website • Revenue generated when customers purchase appliances or large electronics that are more energy efficient than the base options offered 2. Proactive DER promotions (marketing campaigns and contact center channels): <ul style="list-style-type: none"> • Referral fees or retail margin earned from DER sales and leads • Advertising fee for promotions made available on these channels |

D) Check Points

The Project will be managed by Con Edison in partnership with Opower/Enervue (targeted marketing campaign/Marketplace) and Bridgevine (contact center). Con Edison will establish a Project management team (the Project Team) with its partners and a governance structure (see Section 2B) to review and monitor the Project implementation. Key checkpoints, listed below in Table 1-D-1, identify points at which the Project Team will evaluate implementation execution and determine the need for implementation strategy adjustments.

Each checkpoint has key metrics tied to it; checkpoints that do not meet expected targets will undergo further analysis to ascertain impacts on the demonstration project and identify root causes. Through the quarterly report submissions, as detailed in Section 4 Reporting, the Project Team will provide checkpoint status, applicable remedies and strategy modifications. At times, due to the dynamic nature of the Project and the intent to test varying hypotheses (see Table 1-A-1), checkpoint target dates may occur earlier or later within phases and target levels may adjust higher or lower based on customer and market partner reaction to the marketplace and operational risk. Operational risk can include changing economic dynamics and the outcomes of REV proceedings.

Table 1-D-1: Checkpoints

| Checkpoint | Description |
|--|--|
| <p>DER Sales: <i>Market Animation and Customer Choice</i></p> | <p>Measures: Qualified leads and sales of DERs generated through proactive outbound campaigns, the contact center, and the Marketplace</p> <p>When: Phase 2 Midpoint Phase 2 End</p> <p>How: Sales of DERs on both the Marketplace and the outbound campaigns will be reported by their respective DER partners. Customer awareness of DERs will be measured in an annual customer survey conducted by Opower.</p> <p>Expected target⁴: By Project completion: Up to 77,700 DER purchases Phase 2 Midpoint: 31,000 purchases Phase 2 End: 77,700 purchases (cumulative)</p> <p>Impact if not met: An important objective of the Project is to increase customer awareness of DER options and to generate sales of these products and services. Furthermore, lower than expected sales can also contribute to lower revenue realized by the Project, as several revenue streams are tied to overall sales and leads generated.</p> <p>Solutions/strategies in case of results below expectations: First, review overall DER sales by channel and product category to identify over- or under-performing products and services. Examine the possibility of changing the mix of DERs offered through each channel based on this review. Second, review “Channel and Messaging” effectiveness (below) to identify strategies for engaging customers at a higher rate.</p> |
| <p>Channel and Messaging Effectiveness</p> | <p>Measures: Recall rates, open rates, and click-throughs</p> <p>When: Phase 2 Midpoint</p> |

⁴ For the purpose of this Plan, “expected target” will refer to a projection, provided in order to offer a high-level indication of how the Platform is performing. Targets provided are estimates only and subject to updating during the Project as needed to reflect any changes in Project scope, market conditions or other factors.

| Checkpoint | Description |
|---|---|
| <p><i>Customer Motivation</i></p> | <p>Phase 2 End</p> <p>How: Measured using results collected by Opower and Enervee.</p> <p>Expected target: By Project completion: Recall rates reach 65%, open rates reach 20% and click-through rates reach 3%⁵ Phase 2 Midpoint: 50% recall rates; 16% open rates; 2.5% click through rates Phase 2 End: 65% recall rates; 20% open rates; 3% click through rates</p> <p>Impact if not met: Outbound content that is not sufficiently engaging to customers can contribute to weaker-than-expected DER uptake</p> <p>Solutions/strategies in case of results below expectations: Evaluate results of the content and messaging effectiveness test described in Section 1(C). First, evaluate potential changes in content or layout informed by A/B testing. Second, evaluate responses by customer segment and assess possibility of customizing content by unique customer segment. Third, evaluate channel effectiveness and assess resource allocation between channels.</p> |
| <p>Digital Engagement</p> <p><i>Integrated online experience</i></p> | <p>Measures: Unique web visits, time per session, and related web metrics</p> <p>When: First checkpoint six months after Phase 3 start; semi-annually thereafter</p> <p>How: Measured using results collected by Opower and Enervee</p> <p>Expected target: 70,000 unique visitors each 6 month period</p> <p>Impact if not met: Low customer traffic to the Marketplace website can lead to fewer sales and a lower value attributed by retail partners to advertisements on the Marketplace website</p> <p>Solutions/strategies in case of results below expectations: Evaluate strategies for generating traffic to online tools described in Section 1(C) (“Digital Engagement Test”). Shift investment between strategies if optimization is needed, add incremental investment to the most effective strategy(ies), or develop additional strategies for lead generation if needed.</p> |
| <p>Revenue Realization</p> <p><i>New business models</i></p> | <p>Measures: Total revenue generated by all channels</p> <p>When: Phase 2 Midpoint Phase 2 End</p> <p>How: Revenue (earned and accounts receivable)</p> <p>Expected target: By Project completion: \$1.57M in revenue Phase 2 Midpoint: \$627,000 Phase 2 End: \$1.57M (cumulative)</p> |

⁵ Recall rates refer to percent of customers that receive the emails and recall receiving them; open rates are the percent of customers who open the email; and click-through rates are the percent of customers who click on the links included in the emails.

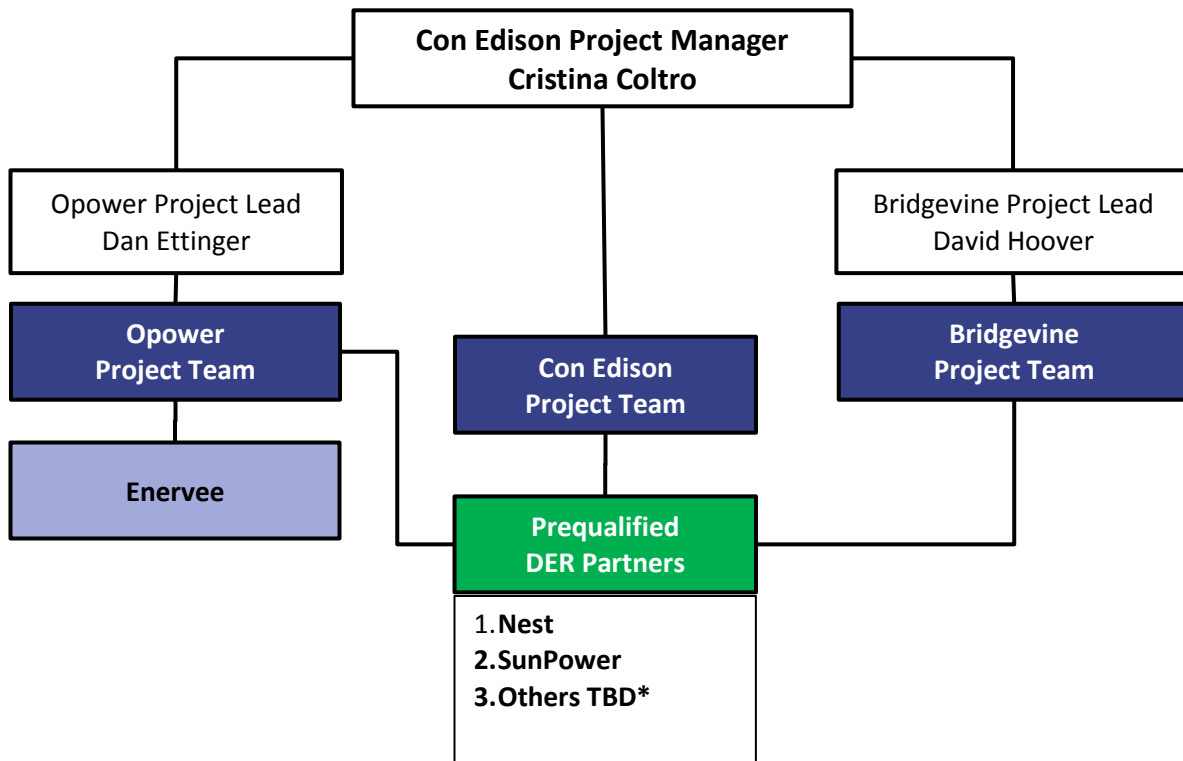
| Checkpoint | Description |
|--|---|
| | <p>Impact if not met: Low revenue realization can indicate that the Platform is performing below expectations with regards to DER sales or that vendor agreements result in less revenue than expected.</p> <p>Solutions/strategies in case of results below expectations: First, maximize digital engagement and channel and messaging effectiveness in order to prove-out the value of the Marketplace and personalized communications as a valuable advertising channel to maximize DER sales. Second, establish a mechanism for competition between DER vendors who wish to feature their products through the Platform in order to identify vendors who can benefit the most from participation in the program and who are willing to offer the most competitive terms.</p> |
| <p>Demand Side Management <i>Customer Co-Benefits</i></p> | <p>Measures: Energy savings from the sale of efficient products on the Marketplace, energy and peak load savings from behavioral energy efficiency savings, additional participants in Con Edison’s existing DSM programs.</p> <p>When: Phase 2 Midpoint Phase 2 End</p> <p>How: Savings measured by Opower using randomized control trial methodology.</p> <p>Expected target: By Project Completion: 47,300 MWh of lifetime savings from products sold on the Marketplace and 27,700 MWh lifetime energy savings and 6.2 MW peak load savings from behavioral energy efficiency, and up to 10% lift in participation in promoted Con Edison DSM programs by the conclusion of the demo phase</p> <p>Phase 2 Midpoint: 19,000 MWh (Marketplace); 10,300 MWh (behavioral energy efficiency) 2.74 MW (behavioral energy efficiency) 5% lift in program participation</p> <p>Phase 2 End: 47,300 MWh (Marketplace) (cumulative); 27,700 MWh (behavioral energy efficiency) (cumulative) 6.2 MW (behavioral energy efficiency) 10% lift in program participation</p> <p>Impact if not met: Energy and peak load savings represent an important opportunity for participating customers to benefit from the program in the short term through bill savings and increased engagement (in addition to long-term benefits from DER sales). Lower-than-expected savings represent foregone customer benefits.</p> <p>Solutions/strategies in case of results below expectations: Review balance of energy insights vs. promotional content included in outbound content and optimize as needed.</p> |

Section 2: Project Structure & Governance

A) Project Team

The Project is a partnership between Con Edison, Opower, and Enervee for targeted marketing campaigns and the Marketplace and between Con Edison and Bridgevine for the contact center. In addition, Nest and SunPower were pre-qualified to participate in Phase 2 of the project based on an evaluation and assessment for offering high value products and services in the existing market. Additional DER partners will be evaluated for qualification in Phase 3 and denoted in the Section 3 work plan. Each partner provides key skillsets and is responsible for certain Project functions in order to ensure a successful Project. Con Edison will maintain overall responsibility for Project execution. The high-level Project Team make-up and alignment is depicted in Figure 2-A-1 below.

Figure 2-A-1: Team Leadership / Organization



* Subject to qualification process to be developed during the Project

Con Edison will apply skillsets (Table 2-A-1), staff, and expertise to the Project aligned with its roles and knowledge base as a utility. The Con Edison Project Manager has overall responsibility for the success of the demonstration and will plan, coordinate, and manage activities for the scope and duration of demonstration. Similarly, Con Edison's partners, Opower, Enervee and Bridgevine will apply key skillsets (Table 2-A-1) that are unique to their focus and product set and aligned to their roles and responsibilities.

Table 2-A-1: Utility & Partner Skillsets and Roles & Responsibilities

| Con Edison Team | Opower / Enervee | Bridgevine |
|--|--|---|
| <ul style="list-style-type: none"> • Project Management • Vendor Coordination • Program and Content Strategy • Customer Relationship Management • Information Resources • Customer Outreach & Community Engagement • Customer Operations • Legal | <ul style="list-style-type: none"> • Web Platform Design • Marketplace Management • Outbound Content Management • Online Lead Generation • DER Product Recommendation Engine • Behavioral Science-Based Content and Research • User Experience Design • Large Data Analytics • Customer Segmentation and Targeting • Energy Usage Data Presentment and Insights • Customer Engagement Research • Results Measurement and Reporting | <ul style="list-style-type: none"> • Platform Design • Account Management • Project Management • Contact Center Operations • Strategic Guidance • Business Intelligence • Performance Management • Reporting and Data Analytics |

The specialized skillsets that the initial pre-qualified DER partners bring to the Project are listed in Table 2-A-3. Near the beginning of Phase 3, Con Edison will conduct a RFP process to qualify additional DER partners based on Table 2-A-3 criteria and aligned to the Project scenarios.

Table 2-A-2: DER Partner Selection Criteria

| Selection Criteria | Relevance to Success |
|---|--|
| Reputable firms with established history of successful installations and quality products | Order fulfillment and product quality critical to sustained success |
| Willingness to pay advertising premiums and lead and conversion fees | Necessary to establish value of the Platform |
| Best in class companies with prominent market presence and signaling power | Market leaders will signal value of the Platform to rest of market |
| Willingness to collaborate on data sharing of converted customers | Necessary to track Project success and to match M&V where required |
| Customer service capability | Ensure customer questions and inquiries can be appropriately fielded |

Table 2-A-3: Pre-qualified DER Partner Key Skillsets

| Nest | SunPower |
|--|--|
| <ul style="list-style-type: none"> • Marketing • Customer Outreach • Hardware and Software Development • Utility Program Execution • Customer Energy Engagement • Partnership Strategy | <ul style="list-style-type: none"> • System Design and Installation • Marketing • Sales • Supply Chain Management • Operation and Maintenance (“customer first” value system) • Utility Partnerships • Commercial Law |

B) Project Staffing:

Con Edison has created a Project Team within its Distributed Resource Integration department dedicated to identifying, developing and implementing new projects related to REV. From this team, a Project Manager has been identified to lead the Project. In addition, Con Edison will provide the necessary internal and external resources in key areas, i.e., marketing, information resources, legal, procurement, and engineering to augment and support Project activities and objectives. The key Con Edison Project Team members are listed below in Table 2-B-1 along with their functional areas and current duty titles.

Table 2-B-1: Con Edison Project Team

| Team Member | Title | Relevant Skillsets |
|-----------------|---|--|
| Cristina Coltro | Project Manager, CONnectED Homes Platform | Project Management, Vendor Coordination |
| Jamie Brennan | Director, Demonstration Projects | Project Governance |
| Chris Raup | Program Manager, Demonstration Projects | Project Oversight (Demonstration Projects) |
| Andy Bishun | Manager, Distributed Resources Integration and Planning Project Management Office (PMO) | Project Controls |

* As part of one of the largest residential utility providers in the country, the Con Edison Project Team has access to over 13,000 employees representing a full complement of skillsets necessary to run day-to-day operations of the Company. Additional Project Team members will be identified and recruited as necessary during the course of project execution.

In order to implement the Platform, Con Edison has partnered with various industry participants in order to build a test market that will connect customers with market partners and test customer response to market offers made at different instances of the customer experience.

Opower/Enverve (See Table 2-B-2 for Team composition):

Opower will serve as the vendor for the Customer Engagement Platform, which will power web and outbound content for the program. Opower will:

- Provide a customer web portal with rich online tools for engaging customers about their energy use;
- Provide digital outreach through email and other channels;
- Manage the delivery of direct-mailed reports to select consumer homes;
- Enable seamless integration of content across channels;
- Apply behavioral science-based methodologies and content to motivate customers to engage;
- Define unique customer segments, utilizing psychographic, demographic, and behavioral attributes;
- Provide a library of DER product recommendations that can be prioritized based on customers’ energy usage profiles;
- Provide customers with content that has been independently verified to generate measurable energy savings results; and
- Measure and report on Project results using randomized control trial methodology, A/B testing, and customer engagement research.

Opower’s subcontractor Enervee will manage the Marketplace website portal and operate closed-loop online advertising and marketing activities to maximize the Marketplace’s impact. Specifically, Enervee will:

- Provide an online Marketplace that includes a broad selection of energy-related products and services paired with customer educational tools such as energy ratings and customer reviews;
- Conduct online lead generation through digital advertising;
- Manage relationships with retailers of DERs featured on the Marketplace website; and
- Enable a consistent and integrated user experience between the Marketplace website and other program channels.

Table 2-B-2: Opower/Enervee Project Team

| Team Member | Title | Relevant Skillsets |
|-------------------------------|---------------------------|---|
| Dan Ettinger (Opower) | Engagement Manager | Engagement Management, Marketplace Management, Customer Segmentation and Targeting |
| Alex Katzman (Enervee) | Enervee Lead | Marketplace Management |
| Stacy Neathery (Opower) | Technical Project Manager | Project Management, Web Platform Design, Marketplace Management, DER Product Recommendation Engine |
| Krista Bochicchio (Opower) | Content and Design Lead | Outbound Content Management, Online Lead Generation, Behavioral Content and Research, Marketplace Management, User Experience Design, Energy Usage Data Presentment and |

| Team Member | Title | Relevant Skillsets |
|--------------------------|------------------------|---|
| | | Insights |
| Tyler Curtis (Opower) | Analytics Lead | Customer Segmentation and Targeting, Large Data Analytics, Online Lead Generation |
| Timur Hicyilmaz (Opower) | Consumer Insights Lead | Customer Engagement Research, Results Measurement and Reporting |

Bridgevine:

The Bridgevine Team (see Table 2-B-3), working with the Company’s contact center, will handle inquiries related to the customized energy report and promote energy products and services offered as part of the Project. In particular, Con Edison intends to promote DER partner products and services to residential customers when they are moving or establishing electric service. At this critical instance, customers are considering making upgrades to their new homes and are interested in subscribing to a variety of products and services. These customers will be soft-transferred to the Bridgevine operated contact center so that they may receive additional information and referrals to the products and services offered by Con Edison’s qualified DER partners.

Table 2-B-3: Bridgevine Project Team

| Team Member | Title | Relevant Skillsets |
|----------------|--|--|
| David Hoover | Vice President – Client Services | Project Leader, Platform Design |
| Alex Dudik | Program Manager – Utility Services | Account Management, Project Management |
| John Caplinger | Senior Vice President, Contact Center Operations | Contact Center Operations, Strategic Guidance (call handling and sales objectives) |
| Dennis Arcelay | Director, Business Intelligence and Analytics | Business Intelligence, Performance Management, Reporting and Data Analytics |

DER partners:

In order to allow rapid ramp-up, Con Edison has pre-qualified two DER providers and included them as partners in the Project. These partners were prequalified based on an assessment and evaluation of reputation in their respective industries, established presence in the current marketplace, and their ability to provide high quality products and services to the customer base. Con Edison will evaluate and qualify additional DER partners in Phase 3. Selection criteria are delineated in Table 2-A-2. The prequalified partners selected for the demonstration will be integrated into the Opower targeted marketing campaign and Bridgevine and contact center offerings.

Table 2-B-4: DER Partner Teams

Nest Project Team – Key Positions

| Team Member | Title | Relevant Skillsets |
|------------------|---|---|
| Hannah Bascom | Regional Business Development | Utility Program Execution |
| Chris Tan | Product Marketing Manager | Marketing and Customer Outreach, Customer Energy Engagement |
| Jonathan Crimins | Partner Development Manager | Utility Program Execution |
| Will Greene | Energy Partner Product Strategy | Hardware and Software Development |
| Andy Baynes | Director Business Development and Energy Efficiency | Partnership Strategy |

SunPower Project Team – Key Positions

| Team Member | Title | Relevant Skillsets |
|-------------------|---|---|
| Martin DeBono | VP Residential North America | Sales, Marketing |
| Erin Nelson | Chief Marketing Officer | Marketing, Sales |
| Anthony Garzolini | VP Residential Sales North America | Sales |
| Beth McKone | VP Residential Operations and Customer Services | System Design and Installation, Supply Chain Management, Operations and Maintenance |
| Michael Avidan | Director of Strategic Business Development, Residential North America | Utility Partnerships |
| Byron Kentor | Senior Legal Council | Commercial Law |

C) Roles & Responsibilities

The Project Team has developed a phased Work Plan (Table 3-A-1) with specific tasks and activities aligned to the Project timeline and overall success. The breakdown of roles and responsibilities is provided in this section.

Table 2-C-1: Phase 0 – Roles and Responsibilities

| Phase 0: Project Development Activities | Con Edison | Opower / Enervee | Bridgevine | DER Partners |
|--|------------|------------------|------------|--------------|
| Project Approval | | | | |
| Complete Project Implementation Plan | X | | | |
| Obtain DPS approval | X | | | |
| Partner Contracts | | | | |
| Complete MSA with platform provider | X | | | |
| Complete SOW with platform provider | X | | | |
| Complete agreement with Opower/Enervee | | X | | |
| Complete contract negotiations with DER partners | X | | | |
| Define Contact Center solutions | X | | | |

Table 2-C-2: Phase 1 – Roles and Responsibilities

| Phase 1: Platform Launch | Con Edison | Opower/ Enevee | Bridgevine | DER Partners |
|---|------------|----------------|------------|--------------|
| Data Acquisition | | | | |
| – Complete historical data transfer | X | | | |
| – Configure and load historical and parcel data | | X | | |
| – Prepare automatic data transfer protocols | | X | | |
| – Provide third-party and DER data | | X | X | X |
| – Incorporate third-party and DER data | | X | | |
| Platform Design/Configuration | | | | |
| – Provide marketing, branding, and content materials | X | | | |
| – Approve marketing, branding, and content materials | X | | | |
| – Approve marketing, branding, and content materials | | X | | |
| – Approve marketing, branding, and content materials | | X | | |
| – Define customer segmentation strategy | | | X | |
| – Configure application | X | | | |
| – Develop contact center protocols, scripts, and offerings | | | | |
| – Approve contact center protocols, scripts, and offerings | | | | |
| Implement Web, Marketplace, and Contact Center Tools | | | | |
| – Configure Marketplace | | X | | |
| – Configure web portal | | X | | |
| – Integrate contact center | | | X | |
| Quality Assurance Testing and “Go-Live” | | | | |
| – Conduct QA testing | | X | X | |
| – Provide final sign-off | X | | | |
| – Conduct customer service training | | X | | |
| – Deploy website | | X | | |
| – Deploy Marketplace | | X | | |
| – Print and mail HER | | X | | |
| Customer and Community Outreach | X | | | |

Table 2-C-2: Phase 2 – Roles and Responsibilities

| Phase 2: Platform Implementation | Con Edison | Opower / Enevee | Bridgevine | DER Partners |
|-------------------------------------|------------|-----------------|------------|--------------|
| Deliver Core Content | | | | |
| Maintain Marketplace and web portal | | X | | |
| Maintain Contact Center solutions | | | X | |
| Deliver outbound content | | X | | |

| Phase 2: Platform Implementation | Con Edison | Opower / Enervee | Bridgevine | DER Partners |
|---|------------|------------------|------------|--------------|
| Additional Web Functionality | | | | |
| Integrate additional appliance categories for Marketplace | | X | | |
| Launch storefront and retailer API functionalities | | X | | |
| Implement single-sign-on | | | | |
| DER Targeted Promotional Messaging | | | | |
| DER Program design and configuration | | X | | X |
| Deploy web, print and email based promotions | | X | | |
| Ongoing Community Engagement | X | | | |
| Platform Metrics | | | | |
| Track digital and outbound engagement metrics | | X | | |
| Track energy efficiency savings | | X | | |
| Report on DER sales | | | | X |
| Conduct customer survey | | X | | |
| Platform Evaluation | | | | |
| Deliver quarterly reports | | X | X | X |
| Evaluate quarterly reports | X | | | |
| Conduct annual workshop with stakeholders | X | | | |

Table 2-C-3: Phase 3 – Roles and Responsibilities

| Phase 3: Platform Optimization | Con Edison | Opower / Enervee | Bridgevine | DER Partners |
|---|------------|------------------|------------|--------------|
| Recruit additional DER partners | | | | |
| Develop DER Partner approval process | X | | | |
| Establish qualification criteria for DER partners | X | | | |
| Prepare RFI for additional DER partners | X | | | |
| Qualify potential additional DER partners | X | | | |
| Complete contract negotiations with additional DER partners | X | | | |
| Refine Platform Design | | | | |
| Refine DER categories and pricing | X | | | |
| Optimize revenue/benefit opportunities | X | | | |

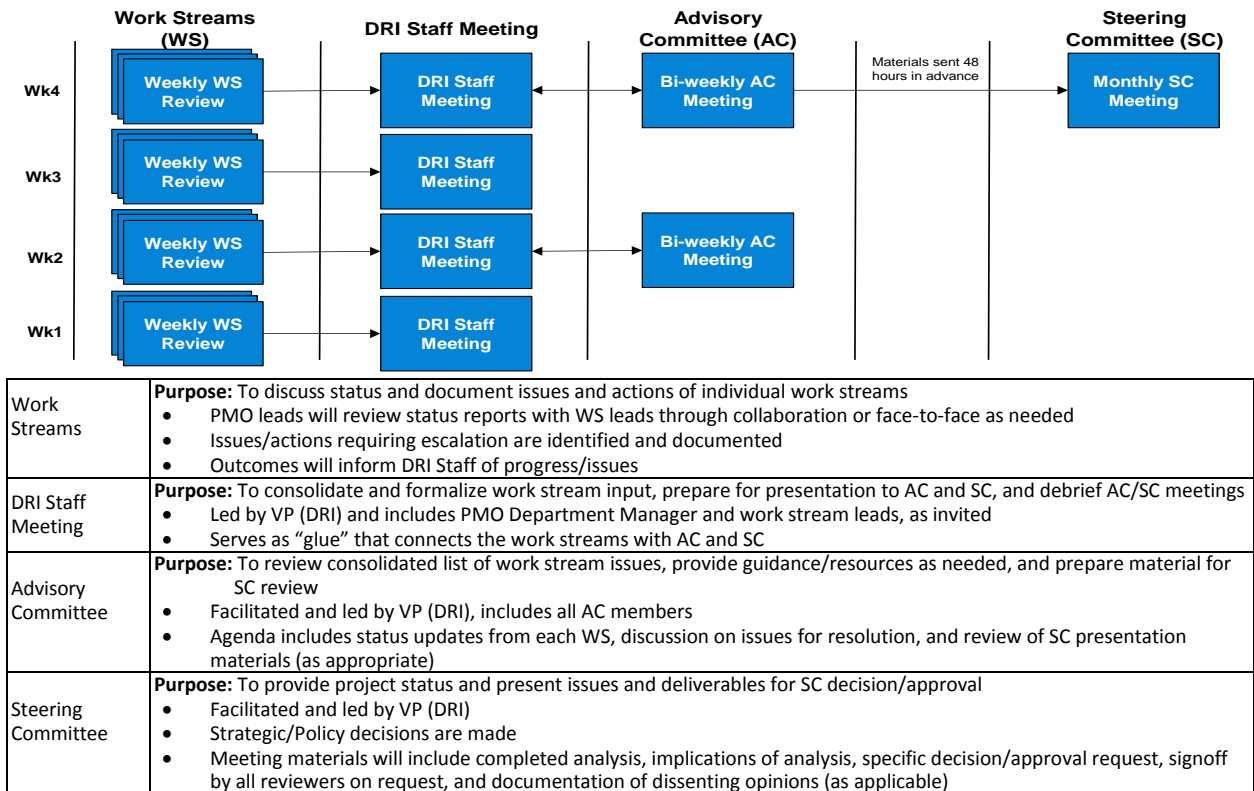
D) Governance

Con Edison has overall responsibility for execution of the Project. The Company has put in place a governance structure detailed in the section below. The governance structure encompasses the Project Team detailed in Sections 2A, 2B and Figure 2-A-1. The Project Team will continuously coordinate activities throughout Project execution. Project Team meetings will be held in-person, via conference calls, WebEx or other communication means. The Project Team will be responsible for coordination and execution of quarterly reports.

Utility Governance Structure

The Con Edison governance structure consists of the Distributed Resource Integration department (the Company’s department with REV initiative oversight), a cross-functional advisory committee, and a senior leadership steering committee. The governance structure ensures senior leadership is fully engaged, appropriate internal stakeholders are engaged, and outcomes and project execution is tracked. Con Edison will manage the process as depicted in Figure 2-D-1.

Figure 2-D-1: Con Edison REV Demonstration Governance Process

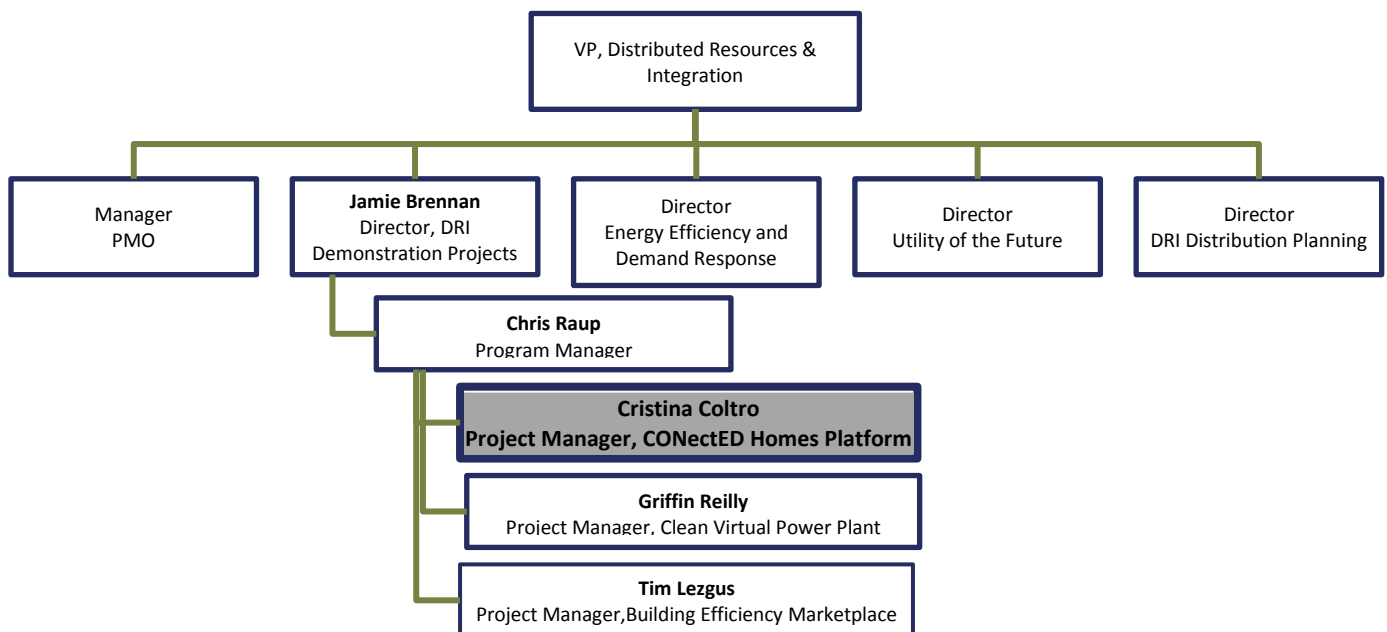


The Project Manager is under the Director, Demonstration Projects, who reports to Con Edison’s Vice President (VP) for DRI. The DRI department (Figure 2-D-2), established in May 2015, is a proactive response to the evolving energy distribution markets in New York. The creation of the DRI department by Con Edison is intended to address customers’ needs, moving forward on REV and adapting to the changing energy environment. The DRI department integrates those parts of the Company assigned with infrastructure planning, development of innovative technical options, demand side management, and designing creative solutions to assure continued reliability while serving customers in the future. All the elements of Con Edison’s REV initiatives report to the VP DRI: the Utility of the Future and Energy Efficiency & Demand Management Department, Resource Planning, Distributed Generation and Demonstration Project Teams.

The VP of DRI holds weekly staff meetings to review progress of each REV related work stream in order to provide oversight and resolve critical issues as they arise. All teams with REV related initiatives, including each Demonstration Project Team, provide weekly updates that highlight progress made and escalate issues that require support from the organization, including resourcing, changes in scope, or externalities that might impact the project.

The Advisory Committee is comprised of leaders from Con Edison functional areas: Information Resources, Corporate Accounting, Corporate Strategy, Corporate Communications, Engineering and Planning, Energy Policy and Regulatory Affairs, Government Relations and Customer Operations. These areas are impacted by or will need to provide resources to support REV initiatives. The Advisory Committee provides guidance and input on strategic priorities, policy and decisions, and reviews REV project schedules and deliverables to ensure alignment of business unit priorities, secures resources to support REV work streams, resolves cross-functional issues with peers, serves as a champion for REV priorities within the respective business unit, and makes decisions as delegated by the Steering Committee.

**Figure 2-D-2:
 Con Edison Distributed Resource Integration and Planning Department**



The Steering Committee consists of key members from Con Edison’s senior executive leadership team. The role of the Steering Committee is to set strategic priorities for Con Edison with respect to REV, make critical policy and strategic decisions, set the standard for REV related deliverables, and approve overall resourcing of the effort. Con Edison senior leaders will have full visibility on REV Demonstrations.

Partner Governance Structure

Con Edison will enter into individual contractual arrangements with Opower-Enervee, Bridgevine and the three prequalified DER to provide services to execute the CONnectED Homes Platform REV Demonstration Project Implementation Plan. As the Project Team lead, Con Edison will organize and facilitate monthly status reviews with leads identified from each partner organization. Program progress, milestones and checkpoints will be consolidated at this level. The governance structure within each of the partner organizations follows their internal product management oversight model.

Section 3: Work Plan & Budget

A) Work Plan

Con Edison, together with its Partners, will implement the Project as defined in the Work Plan (Table 3-A-1). The Work Plan details the phases, tasks, associated activities and the first level of sub-activities under each activity. Phase 0 will begin upon implementation plan approval by the DPS, subject to contract completion between Con Edison and Opower. The activities in the Work Plan illustrated in Table 3-A-1 are associated with the budget and together are part of this living document. Start and end dates have the potential to occur earlier or later in the schedule due to various inputs and risks, which include, but are not limited to, customer feedback, customer participation, and software development. Budget estimates for each task and activity may have corresponding changes. The key milestones for this Project align with the completion of each phase; meeting the checkpoints within the stage and demonstrating phase success. Milestones are noted in red in Table 3-A-1 and defined within the definition table, Table 3-A-1. Con Edison together with its Partners will monitor progress and milestones through various checkpoints, as discussed in Section 1, Demonstration Design and report to the Commission quarterly. Reporting will conform to Commission direction and Section 4, Reporting Expectations of this document.

Table 3-A-1: Work Plan

| Activity No. | Activity Description | Lead | | | 2016 | | | | 2017 | | | | 2018 | |
|--------------|---|------------------|----|----|------|----|----|----|------|----|----|----|------|----|
| | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| 1.0 | Phase 0 - Project Development | | | | | | | | | | | | | |
| 1.1 | Project Management | Con Edison | | | | | | | | | | | | |
| 1.1.1 | Complete Implementation plan | Con Edison | | | | | | | | | | | | |
| 1.1.2 | DPS review | DPS | | | | | | | | | | | | |
| 1.2 | Complete partner negotiations | Con Edison | | | | | | | | | | | | |
| 1.2.1 | Complete MSA with platform partner | ConEd/Opower | | | | | | | | | | | | |
| 1.2.1.1 | Complete SOW with platform partner | ConEd/Opower | | | | | | | | | | | | |
| 1.2.1.2 | Contract negotiations w/ DER partners | ConEd | | | | | | | | | | | | |
| 1.2.1.3 | Define contact center solutions | ConEd/Bridgevine | | | | | | | | | | | | |
| 2.0 | Phase 1 - Project Launch | | | | | | | | | | | | | |
| 2.1 | Platform Configuration | ConEd/Opower | | | | | | | | | | | | |
| 2.1.1 | Data acquisition | ConEd/Opower | | | | | | | | | | | | |
| 2.1.1.1 | Complete historical data transfer | Opower | | | | | | | | | | | | |
| 2.1.1.2 | Configure and load historical and parcel data and prepare automatic data transfer | Opower | | | | | | | | | | | | |
| 2.1.1.3 | Incorporate third party and ESP data | Opower | | | | | | | | | | | | |
| 2.1.2 | Program design and configuration | ConEd/Opower | | | | | | | | | | | | |
| 2.1.2.1 | Finalize marketing, branding, and content materials | ConEd/Opower | | | | | | | | | | | | |
| 2.1.2.2 | Define customer segmentation strategy and configure application | Opower | | | | | | | | | | | | |
| 2.1.3 | Implement web, marketplace, and call center tools | ConEd/Partners | | | | | | | | | | | | |
| 2.1.3.1 | Configure marketplace | Enervee | | | | | | | | | | | | |
| 2.1.3.2 | Configure web portal | Opower | | | | | | | | | | | | |
| 2.1.3.3 | Contact Center Integration | Bridgevine | | | | | | | | | | | | |
| 2.1.4 | Quality assurance testing and go live | ConEd/Opower | | | | | | | | | | | | |
| 2.1.4.1 | Conduct QA testing and receive final sign off | Opower | | | | | | | | | | | | |
| 2.1.4.2 | Customer service training | ConEd/Opower | | | | | | | | | | | | |
| 2.1.4.3 | Deploy website, marketplace, print and mail home energy reports | Opower | | | | | | | | | | | | |
| 2.2 | Customer Community Outreach | ConEd | | | | | | | | | | | | |
| 2.2.1 | Conduct Customer Outreach | ConEd | | | | | | | | | | | | |

| Activity No. | Activity Description | Lead | | | 2016 | | | | 2017 | | | | 2018 | |
|--------------|--|---------------------|----|----|------|----|----|----|------|----|----|----|------|----|
| | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| 3.0 | Phase 2 - Demonstration Implementation | | | | | | | | | | | | | |
| 3.1 | Project Management | ConEd | | | | | | | | | | | | |
| 3.1.1 | Track program metrics | ConEd/partners | | | | | | | | | | | | |
| 3.1.1.1 | Track digital and outbound engagement metrics | Opower/Envervee | | | | | | | | | | | | |
| 3.1.1.2 | Track energy efficiency savings | Opower | | | | | | | | | | | | |
| 3.1.1.3 | Report on DER sales | DER Partners | | | | | | | | | | | | |
| 3.1.1.4 | Conduct customer survey | Opower | | | | | | | | | | | | |
| 3.1.2 | Reporting and Evaluation | ConEd | | | | | | | | | | | | |
| 3.1.2.1 | Delliver Quarterly reporting | All | | | | | | | | | | | | |
| 3.1.2.2 | Annual workshop with stakeholders | All | | | | | | | | | | | | |
| 3.2 | Delivery | ConEd/Partners | | | | | | | | | | | | |
| 3.2.1 | Deliver core content to customers | ConEd/Partners | | | | | | | | | | | | |
| 3.2.1.1 | Maintain Marketplace and web portal | Opower/Envervee | | | | | | | | | | | | |
| 3.2.1.2 | Maintain contact center solutions | Bridgevine | | | | | | | | | | | | |
| 3.2.1.3 | Deliver outbound content | Opower | | | | | | | | | | | | |
| 3.2.2 | Phase in additional web functionality | ConEd/partners | | | | | | | | | | | | |
| 3.2.2.1 | Additional appliance categories integration for Marketplace | Envervee | | | | | | | | | | | | |
| 3.2.2.2 | Marketplace launch storefront and retailer API functionalities | Envervee | | | | | | | | | | | | |
| 3.2.2.3 | Implement single-sign-on | Opower | | | | | | | | | | | | |
| 3.2.3 | Launch DER targeted promotional messaging | ConEd/Partners | | | | | | | | | | | | |
| 3.2.3.1 | DER Program design and configuration | DER Partners/Opower | | | | | | | | | | | | |
| 3.2.3.2 | Deploy web, print and email based promotions | Opower | | | | | | | | | | | | |
| 3.3 | Community Relations | ConEd | | | | | | | | | | | | |
| 3.3.1 | Ongoing Community Engagement | ConEd | | | | | | | | | | | | |
| 3.3.1.2 | Sub Task 1 | ConEd | | | | | | | | | | | | |
| 4.0 | Phase 3 - Project Optimization | | | | | | | | | | | | | |
| 4.1 | Project Management | ConEd | | | | | | | | | | | | |
| 4.1.1 | Evaluate Project Rollout | ConEd | | | | | | | | | | | | |
| 4.2 | Implement competitive bidding | ConEd | | | | | | | | | | | | |
| 4.2.1 | Conduct RFI for additional DER partners | ConEd | | | | | | | | | | | | |
| 4.2.1.1 | Establish qualification criteria for DER Partners | ConEd | | | | | | | | | | | | |
| 4.2.1.2 | Prepare RFI for additional DER Partners | ConEd | | | | | | | | | | | | |
| 4.2.1.3 | Qualify potential additional DER Partners | ConEd | | | | | | | | | | | | |
| 4.2.1.4 | Complete contract negotiations with additional DER partners | ConEd | | | | | | | | | | | | |
| 4.3 | Optimize Program | ConEd/partners | | | | | | | | | | | | |
| 4.3.1 | Refine Program Design | ConEd/partners | | | | | | | | | | | | |
| 4.3.1.1 | Refine DER Categories and Pricing | All | | | | | | | | | | | | |
| 4.3.1.2 | Optimize Revenue/Benefit Opportunity | All | | | | | | | | | | | | |

B) Project Budget

The Project Manager will be responsible for managing and tracking program budget cost. The quarterly report to the Commission will provide budget updates and align with the Work Plan and Budget in section 3A. Con Edison’s Partners will provide updates to the Project Manager for inclusion in the quarterly report and program management.

Budget estimates provided in Table 3-A-2 represent calculated estimates over the course of the implementation demonstration, and do not account for inflation. Changing budget estimates will be reflected in the quarterly reports to the Commission. Partner costs, represented in Table 3-A-2 are trade secret, commercial confidential information, or financial information that Con Edison and its partners believe to be exempt from release under Exemption 4 of the Freedom of Information Act, 5 U.S.C. 552(b)(4), because disclosure could reasonably be expected to cause substantial competitive harm. Revenue streams from the Project will be from the various monetization scenarios listed in Table 1-C-2. These include, but will not be limited to:

- Revenue from leads, acquisitions, and sales;
- Revenue from advertising per impression; and
- Revenue from referrals generated from inbound calls to Bridgevine’s contact center.

Revenue streams will commence in 2016 with the initiation of Phase 2 – Platform Implementation. If the Platform successfully meets criteria for scale-up, revenue streams are estimated to increase in Phase 3, in 2018, with the expansion to the entire Con Edison territory.

Con Edison expects its costs for this demonstration to be recovered through the Monthly Adjustment Clause (MAC), (pending Commission approval). Revenues from third-party service providers, lenders, and customers that participate in the demonstration will be credited to customers.

Table 3-B-1: CONnectED Homes Platform Budget

| | 2015 | 2016 | 2017 | 2018* |
|---------------------------|---------|----------|----------|-----------|
| Expected Cash-Out: | \$0.67M | \$5.5M | \$6.82M | \$3.58M* |
| Expected Cash-In: | \$0.0M | \$0.258M | \$0.717M | \$0.594M* |

**Demonstration ends July 2018. Figures are representative of first seven months of 2018.*

Section 4: Reporting Structure

A) Reporting Expectations

Quarterly reports will be provided to the Commission during the implementation of the Project. Each quarterly report will provide the DPS an update on implementation progress according to the Work Plan and Budget (see Table 3-A-1), detailing deviations and noting task and activity progress. In addition, the quarterly report will capture, to the extent available at the time of the report, key project information such as in-service dates, incremental costs incurred, operating results, rate design results, and market learnings as well as other project benefits that are observed. The quarterly report template is as follows:

Figure 4-A-1: Quarterly Report Outline


| | |
|---------|--|
| 1.0 | Executive Summary |
| 2.0 | Project 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 |
| | <ul style="list-style-type: none">• Progress Assessment• Issues |
| 3.1.1.1 | Sub-Activity 1.2 |
| | <ul style="list-style-type: none">• Progress Assessment• Issues |
| 3.1.1.2 | Sub-Activity 1.3 |
| 3.2 | Work Plan |
| | Table 3.2.A – Updated Work Plan |
| | Table 3.2.B – Updated Budget |
| 4.0 | Conclusion |
| 4.1 | Lessons Learned |
| 4.2 | Recommendations |

The quarterly report will focus on the phase(s) occurring within the previous quarter or scheduled to occur within the next two quarters. This will ensure the report is focused on the current progress while providing Staff insight into the near future. The governance structure

and program management team will maintain oversight over all phase progress and include in Section 2.3, Issues of the report any impacts on the implementation execution beyond the report's timeline.

Checkpoint, milestone and activity progress will provide detailed status information to inform the DPS of implementation progress and highlight issues, such as change in scope, incremental cost or shifts in the timeline. A stoplight chart will be used to detail progress for activities in the quarterly reports. Con Edison will provide narrative information to support the progress report while DER partner-related data will be provided confidentially to Staff.

Figure 4-A-2: Checkpoint/Milestone/Activity Progress Example

| |
|--|
| <p>Checkpoint: Total revenue generated by all channels</p> <p>Target: \$1.7M by project completion</p> <p>Progress Status: </p> <p>Budget Impact: (Yes / On-Target / No Impact)</p> <p>Incremental Cost Incurred: \$XXXX incurred due to expanded marketing campaign to increase partner awareness and engagement</p> <p>Previous Quarter Updates:</p> <p>Future Quarter Impacts:</p> |
|--|

The Project Team will maintain close contact with Staff to review the quarterly report and respond to follow-up questions.