



REV Demonstration Project:
Building Efficiency Marketplace

2016 2Q Quarterly Progress Report

Dated: July 29, 2016

Table of Contents

1.0	Executive Summary	2
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
2.0	Building Efficiency Marketplace – Quarterly Progress	3
2.1	Demonstration Highlights.....	3
2.1.1	Since Previous Quarter - Major Task Completion.....	3
2.1.2	Activities Overview.....	4
2.1.3	Key Metrics.....	4
2.1.4	Next Quarter Forecast.....	4
2.1.5	Checkpoints/Milestone Progress.....	4
2.1.6	Planned Activities.....	5
2.1.6.1	Participating Market Partners Engaged In Ecm.....	5
2.1.6.2	Customer And Market Partner Engagement.....	5
2.1.6.3	Projects Implemented.....	6
2.1.6.4	Revenue Realization.....	6
2.1.6.5	Project Impact.....	6
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.....	8
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.....	9

1.0 EXECUTIVE SUMMARY

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 (the 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 a 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 Q2 2016, the Project continued its development toward the launch of the customer facing portal, offering energy insights to a test population of commercial customers. Stakeholders from across the Company have played an integral part in collaboration to advance the Project.

2.0 BUILDING EFFICIENCY MARKETPLACE – QUARTERLY PROGRESS

2.1 DEMONSTRATION HIGHLIGHTS

2.1.1 Since Previous Quarter - Major Task Completion

- Completed customer account and building mapping
- Conducted Virtual Energy Assessments (VEAs) and posted results
- Finalized Phase 1 test population
- All initial data securely transferred
- Defined data integration requirements
- Finalized path for Single Sign On integration
- Developed Marketing Plan with key stakeholders
- Completed contract negotiations with marketplace provider, Honest Buildings
- Set schedule for User Acceptance Testing

2.1.2 Activities Overview

The team concluded data transfers and conducted Virtual Energy Assessments across the population of all interval metered customers. Significant process was achieved in mapping all customer accounts to their respective buildings. This included mapping monthly account numbers to buildings and gauging the impact of monthly load on the total building energy use. This process was vital in identifying all of the loads that populate an entire building and critical to the accuracy of the VEAs.

Coordination has intensified among various departments within the Company as the Project enters the implementation phase, including: Information Technology, Customer Operations, the Digital Customer Experience, Cybersecurity, Marketing, and Corporate Communications.

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 Q3 2016, the Building Efficiency Marketplace will launch the Customer Portal to the test population of commercial customers across the Con Edison service territory. The marketing plan will begin execution as outreach to our customers commences. The integration of the Marketplace with the Customer Portal will continue in order to allow for customers to act on specific measure level recommendations for energy efficiency.




2.1.5 Checkpoints/Milestone Progress

Checkpoint/Milestone	Timing*	Status
----------------------	---------	--------

Checkpoint/Milestone	Timing*	Status
Participating Market Partners Engaged in ECM	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
--	---	--

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

During the 2Q, the team decided to extend Phase 0 into Q3 to strategically align with seasonal marketing constraints. This will allow additional time for additional data Integration and further configuration of the Customer Portal. Strategic marketing instructed the team to begin outreach to customers in September, following the summer holidays. The new launch date for the Customer Portal is September 7, 2016. Phase 0 will conclude at the start of Phase 1, August 1, 2016.

2.3 WORK PLAN & BUDGET REVIEW

2.3.1 Phase Review

2.3.1.1 Phase Progress

The team is working through Phase 0 (Demonstration Planning). Phase 0 has consisted of Project Management, Configuration of Customer Portal, Marketing Strategy & Planning, Data Integration, and Building Analysis. Phase 1 (Demonstration Implementation) tasks will begin in Q3 2016.

2.3.2 Work Plan

2.3.2.1 Updated Work Plan

Demonstration Project - Building Efficiency Marketplace

Activity No.	Activity Description	Status	Lead	2015				2016				2017				2018				
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
1.0	Phase 0 - Demonstration Planning																			
1.1	Project Management	IN PROGRESS	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	IN PROGRESS	Con Edison & Retroficiency																	
1.1.7	Engagement Specialist Onboarding	COMPLETE	Retroficiency																	
1.2	Customer Portal Configuration	IN PROGRESS	Con Edison & Retroficiency																	
1.2.1	Software Development (Configuration/Testing/Launch)	IN PROGRESS	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	IN PROGRESS	Con Edison & Retroficiency																	
1.2.2	Customer Validation and Access	IN PROGRESS	Con Edison & Retroficiency																	
1.2.3	Internal Stakeholder Training	IN PROGRESS	Retroficiency																	
1.3	Data Integration	IN PROGRESS	Con Edison & Retroficiency																	
1.3.1	Define Data Integration Requirements	COMPLETE	Con Edison & Retroficiency																	
1.3.2	Execute Systems/Data Integration	IN PROGRESS	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																	
2.0	Phase 1 - Demonstration Implementation																			
2.1	Project Management	NOT STARTED	Con Edison & Retroficiency																	
2.2	Customer and Market Engagement	NOT STARTED	Con Edison & Retroficiency																	
2.2.1	Execute Marketing Plan/Customer Awareness Campaigns	NOT STARTED	Con Edison & Retroficiency																	
2.2.2	Customer Engagement Specialist	NOT STARTED	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																	
2.5	Efficiency Project Portal Configuration	NOT STARTED	Con Edison & Retroficiency																	
2.5.1	Software Development (Configuration/Testing/Launch)	NOT STARTED	Retroficiency																	
2.5.2	Market Partner Validation and Access	NOT STARTED	Con Edison & Retroficiency																	
2.5.3	Internal Stakeholder Training	NOT STARTED	Retroficiency																	
3.0	Phase 2 - Market Launch																			
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																	
3.2.2	Monetization Testing	NOT STARTED	Con Edison & Retroficiency																	
3.3	Customer Portal Configuration	NOT STARTED	Retroficiency																	
3.3.1	Continuous gathering of requirements for product enhancements	NOT STARTED	Retroficiency																	
3.3.2	Continuous release of updates (every 2 weeks)	NOT STARTED	Retroficiency																	
3.4	Building Analysis and Reporting	NOT STARTED	Con Edison & Retroficiency																	
3.4.1	Ongoing Data Transfers to Retroficiency	NOT STARTED	Con Edison																	
3.4.2	Ongoing Data Analysis (VEA)	NOT STARTED	Retroficiency																	
3.4.3	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

The inclusive approach to the management of the Project has been integral to the development of the Customer Portal and the creation of insights regarding our customers. By including marketing and outreach personal into the marketing plan, it became apparent that our initial timeline for launch would not be reflective of the life cycle of customer adoption. The solution to prolong Phase 0 through the summer provides an opportunity to strategically time the launch of the customer facing portal. This decision will look to maximize outreach efforts and customer participation rates.

2.4.2 Recommendations

The Company recommends continued involvement of key stakeholders directly in the Project as often as possible. Additional perspectives are important as we drive forward into Phase 1 of the Project.


2.5 INCLUDED APPENDICES

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

Appendix A Building Efficiency Marketplace Customer Facing 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

How do we calculate your savings?

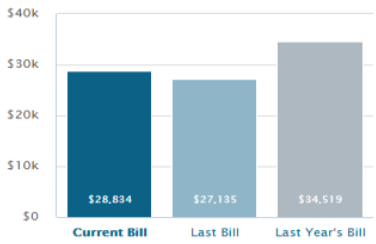
SAVE UP TO

\$49,030 /Year

Based on analysis of your consumption, follow our recommendations to save.

Find Ways to Save

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

📋 CREATE ENERGY-SAVING ACTION PLANS WITH 1 CLICK

PROPERTY DETAILS

How many floors does your space include?

Appendix B: Building Efficiency Marketplace Description of Phases

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