



**October Trustee Meeting**  
**Customer Solutions Initiative**  
**Progress Summary**

October 15, 2014

# Agenda

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- The Challenge
- The Opportunity
- The Vision
- The Approach
- Key Next Steps

## The Challenge

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- General
  - Customers are seeking **cost savings**
  - **Capital projects** are their top priority
  - However, they're interested in a **wide range of services**
  - Customers desire **ease of use, responsiveness, and technical** capability
- Specific to NYPA
  - Customers are **confused** about NYPA's offerings
  - Customers view NYPA's **processes as lengthy** and bureaucratic
  - Customers perceive NYPA's **pricing** of capital projects as more expensive than average

*“Setting up a new vendor is a complicated process, so if we could buy multiple services from NYPA that would make things easier. We’ve been pleased with NYPA services thus far, so we would expect these other services to be at that high level as well.”*

Source: Market Intelligence Report conducted for NYPA, July and August, 2014

## The Opportunity

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- Customers view **NYPA as trustworthy**, responsive, and knowledgeable
- NYPA's capital project implementation abilities **match the needs of customers**
- NYPA's ability to provide easy access to multiple vendors matches customers' desire for a **wide range of services**
- Customers are **open to partnering** with NYPA on new energy projects
- NYPA can address customers' concerns by **realigning its service functions and processes, and marketing its offerings more clearly**

*“This ‘economic potential’ is valued at \$100.9 billion in net benefits (in 2012 dollars). The ‘achievable potential’ (in New York State), a subset of the economic potential, is valued at \$30 billion in net benefits (in 2012 dollars). ‘Achievable potential’ represents the cost effective energy efficiency potential given current market barriers related to technologies, spending, energy efficiency goals, and policies.”*

Source: Market Intelligence Report conducted for NYPA, July and August, 2014

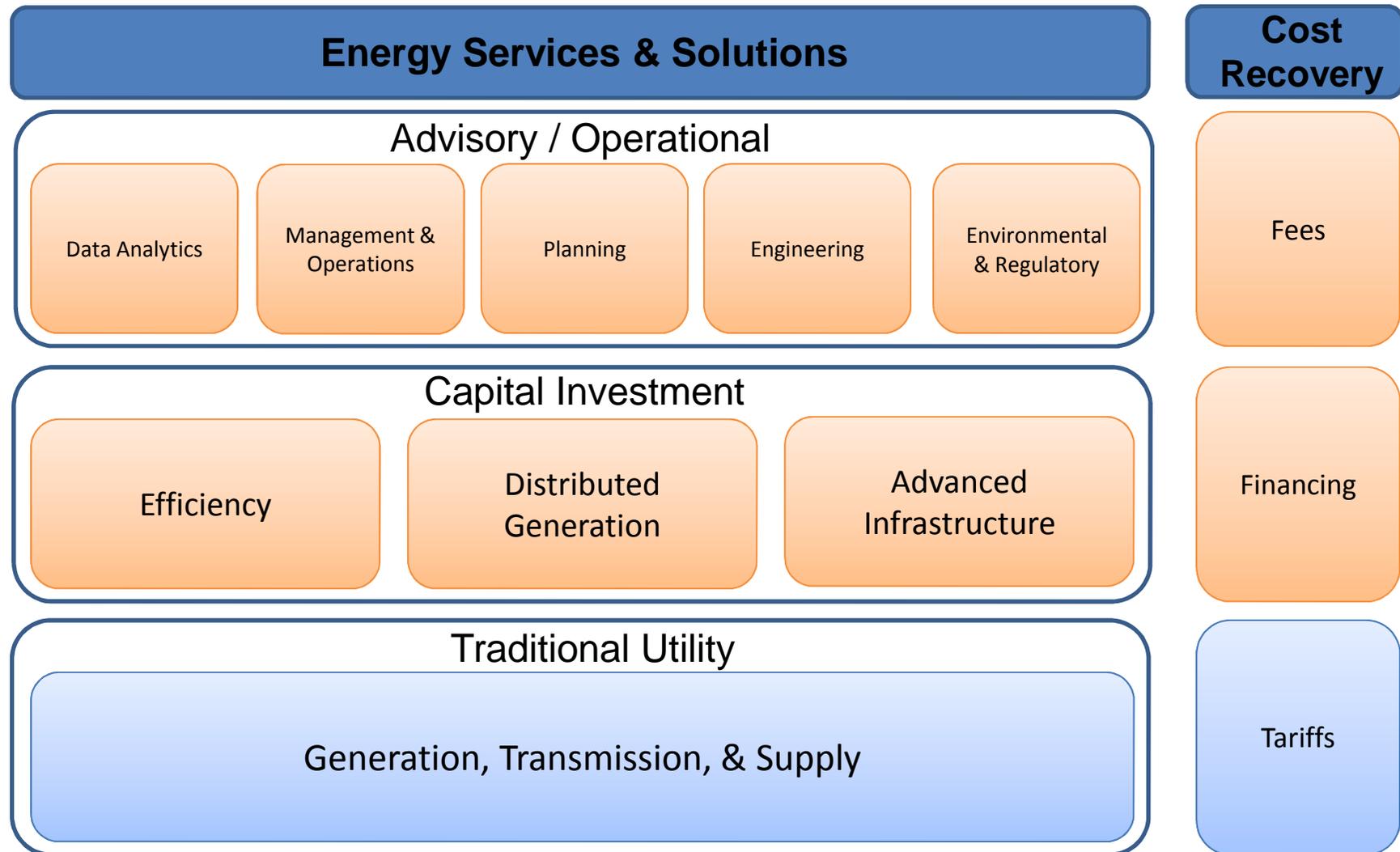
## The Vision

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- Customer Energy Solutions – Start up!
- Goals
  - **Build the “demand” side of NYPA’s business** to be on par with the “supply” side of NYPA’s business
  - Become and remain our customers’ **trusted energy advisor**
  - Serve as a **marketplace** for accessing energy services
  - Internally coordinate and externally present **“one NYPA”** with fully integrated service offerings
  - **Proactively** address the energy needs of our customers
  - **Recover costs** on a net CES basis
- Core Ideology

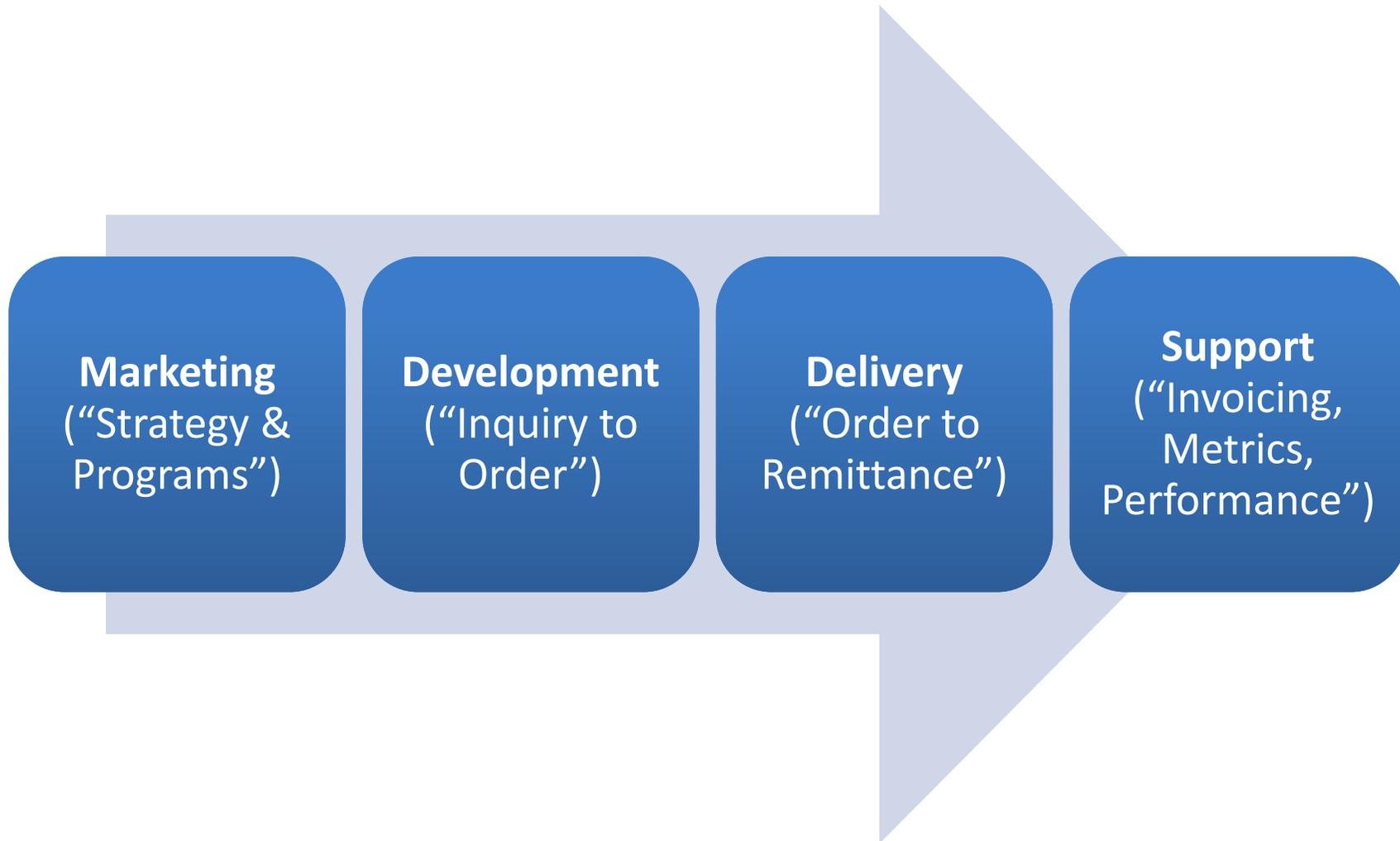
*NYPA will deliver results, value, and satisfaction for customers*

# The Approach: Customer's Future View of NYPA



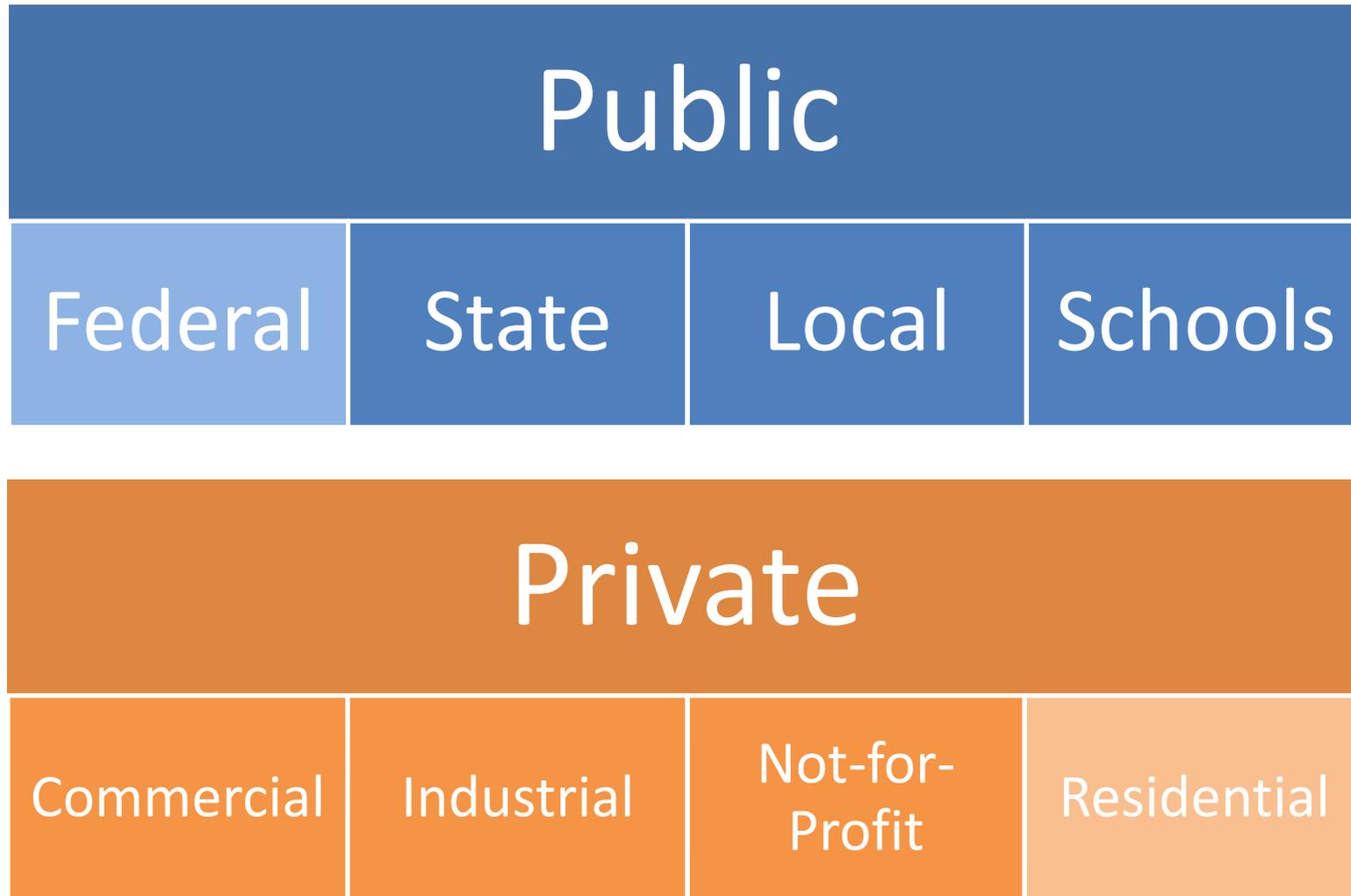
# The Approach: NYPA's Internal "Supply Chain" Functions

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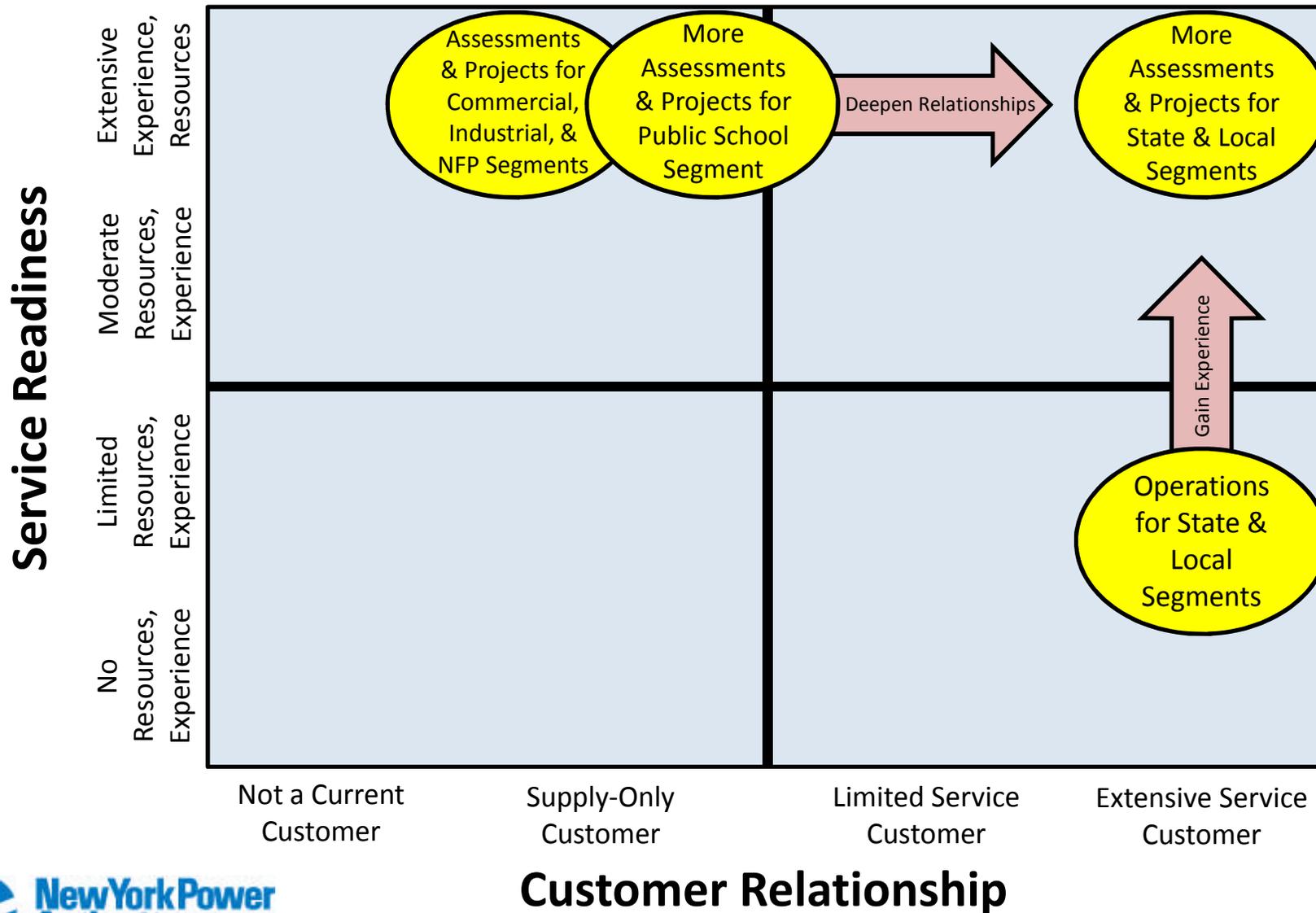


## The Approach: Customer Segmentation

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# The Approach: Priority Service & Customer Matches



## Key Next Steps

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- **Business Plan** integrates CES functions with current and future programs / initiatives
  - Other Strategic Initiatives
  - State Policy – Reforming the Energy Vision (REV)
  - Customer Programs (EE INC, K-Solar, BuildSmart NY, NY Energy Manager)
- Begin **CES functional alignment** with customer engagement
- Establish the **near-term and long-term budget** to support services expansion

## Key Next Steps: Phased Implementation

	2014		2015				2016				2017				2018				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>CES Group</b>	Establish CES functions & leadership, & integrate existing services / programs		Staff up key CES functions																
<b>Consulting Assistance</b>	Procure assistance with needs and options for IT, financing, contracting, and cost accounting			Provide ongoing support for key functions (e.g., marketing)															
<b>Internal Support</b>	Identify internal support needs		Establish dedicated CES resources in key support groups		Implement new cost allocation methodology														
<b>Capital Expenditure</b>					Integrate / upgrade / expand IT systems							Assess needs					Assess needs		
<b>Services &amp; Customers</b>		Adjust existing services' flexibility, delivery methods, & areas of focus, & offer to existing State and Local customers				Roll out Operations suite for existing State and Local customers						Roll out full service cycle for select Commercial, Industrial, NFP, and Public School customers							