



2012 Annual Report

Northeast Energy Efficiency Partnerships



*NEEP rises to meet
unprecedented challenges with
energy efficiency solutions*



EXECUTIVE MESSAGE

2012 was a year marked by challenges. Unprecedented weather in the form of Superstorm Sandy wreaked historic levels of destruction, and caused us to think in new ways about climate change and our ability to both slow it and adapt to its consequences.

The economy nursed its wounds and remained challenged by high energy costs and a flat-lined job market.

Meanwhile, our national leaders struggled to find common-ground solutions to those issues that continue to divide us.

Amidst these challenges, NEEP and its network of partners worked to provide innovative solutions to aid economic recovery, grow new jobs, safeguard our environment, and enhance the reliability of our energy systems.

Throughout all, the Northeast and Mid-Atlantic region of the United States remained a leader in delivering to millions of homes and businesses the indigenous, clean, affordable, and rapidly-deployed resource that is energy efficiency. The American Council for an Energy-Efficient Economy (ACEEE) recognized the region's leadership by highlighting six states from the Northeast and Mid-Atlantic that

were among the top 10 nationally in its annual State Policy Scorecard. And cooperation between state leaders in government, utilities, and industry raised investments in energy efficiency programs across the region to a record \$2.5 billion in 2012. This level of investment correlates with NEEP's regional energy efficiency potential study which predicted that cost-effective investments in energy efficiency could offset all new growth in electricity consumption over the next decade. [ISO-New England's new Energy Efficiency Forecast](#) showed that aggressive pursuit of energy efficiency will flatten load growth through 2021.

NEEP continues to reinforce the region's leadership by promoting best practices and innovation in policy, programs, and technology.

In 2012 we identified four strategy areas that we believe most effectively address the challenges to the pursuit of all cost-effective energy efficiency in the region.



MAKE EFFICIENCY MORE VISIBLE

At NEEP's annual event, the 2012 Northeast Energy Efficiency Summit in Stamford, CT, Governor Dannel Malloy reaffirmed Connecticut's commitment to energy efficiency, declaring "Dollar for dollar, it is still the best strategy." An impressive array of Business Leaders for Energy Efficiency highlighted at the Summit put proof points to the governor's contention.

REDUCE ENERGY USE IN BUILDINGS

An update to NEEP's Model Progressive Building Energy Codes Policy provided a set of interconnected recommendations aimed at ensuring that states throughout the Northeast and Mid-Atlantic region achieve compliance with progressively more efficient building energy codes as a means of achieving large-scale energy and greenhouse gas emissions savings. Additional public policy efforts simultaneously created market valuation of building energy performance, while high performance building guidance helped advance new design, construction and operations practices.

SPEED THE ADOPTION OF HIGH EFFICIENCY PRODUCTS

The DesignLights Consortium® Solid State Lighting Qualified Products List reached 17,500 products, specifying the most efficient commercial lighting

technology available, and providing efficiency programs across the U.S. and Canada with the knowledge to make the best choices in program offerings. NEEP also developed new regional strategies to create pathways toward maximum energy savings in distinct product categories, such as residential lighting and heat pump water heaters.

ADVANCE KNOWLEDGE AND BEST PRACTICES

The Regional Evaluation, Measurement and Verification Forum launched the Regional Energy Efficiency Database (REED), the first public, searchable database for state-specific efficiency data. Meanwhile, our Policy Outreach and Analysis team provided input into more than 30 different state energy proceedings, from Maryland to Maine.

NEEP consistently brings policy makers, efficiency program administrators, and industry players together to develop and implement these strategies and continually raise the bar for energy efficiency innovation. Together, with our dedicated staff, our sponsors, funders, partners, and an array of stakeholders, we remain **committed** to our mission of accelerating energy efficiency to the benefit of our region, nation, and world.



Susan Coakley
Executive Director



Penni McLean-Conner
2012 NEEP Board President



INTRODUCTION

NEEP MISSION

Accelerate energy efficiency in homes, buildings & industry in the Northeast – Mid-Atlantic region.

2012 GOAL

Keep the Northeast – Mid-Atlantic region a national leader in accelerating energy efficiency.

Every day, we work together to promote and encourage energy efficiency throughout the Northeast and Mid-Atlantic. With our [Business Plan](#) as our blueprint—and with the support of our sponsors, partners, and funders from across the region and nation—NEEP made great strides toward our mission and 2012 goal to keep the Northeast and Mid-Atlantic region a leader in accelerating energy efficiency.

In many ways, the unique characteristics of our region force us to think creatively when it comes to efficiency. Our often-harsh winters (and lately, our hotter-than-normal summers) affect energy usage and resources—greatly impacting consumers and the economy in a region with some of the highest energy costs in the nation. Our older buildings present the challenge of providing modern solutions that are both cost-effective and respectful of the “old-world charm” that makes our region special. And our resources must meet the needs of one of the most densely populated regions in the country.

Yet by working together, we’ve developed innovative strategies and solutions to meet these challenges, setting an impressive example for other regions to follow and leading the way toward a more energy efficient future. For this, we can all be very proud. On the following pages, we invite you to read about how the commitment and creative thinking of NEEP and our partners has helped us achieve impressive and lasting results to build upon for the future.



INCREASE VISIBILITY OF EFFICIENCY



Energy efficiency is the intangible x-factor in the persistent struggle for a more reliable, affordable energy framework. The benefits of energy efficiency investments, especially its towering cost-effectiveness ratio, light the way towards an undeniably bright future for the energy industry. Since efficiency is the energy we do not use and cannot see, we are tasked with the challenge of communicating to energy consumers, businesses, and decision-makers its positive impact on the environment, economy, and our collective future. **NEEP educates and influences communities through its unique partnerships with energy advocates, efficiency program administrators, businesses, and governments at all levels by bringing people together, and providing stakeholders with the latest news and information through events, social media, and our business messengers. NEEP has set a national example for effective leadership, collaboration, growth, and results.**

Most notably, in 2012:

- NEEP welcomed over 300 people to the [2012 Northeast Energy Efficiency Summit](#) in Stamford, CT, on June 13 and 14, 2012. Many thanks to the attendees, speakers, and sponsors and exhibitors that made the event a success.
- The [2012 Business Leaders Recognition Program](#) was a banner year for participation as NEEP's reach expanded into the Mid-Atlantic region. The inspiring State Champion videos and case studies for each of our Business Leaders can be viewed [here](#).
- NEEP secured 24 [Sponsors](#), including three new utilities—National Grid-Gas and UES-Gas in New Hampshire, and National Grid in New York—ensuring trustworthy, successful products and programs for efficiency for the entire region.
- NEEP's 2012 [Partners Program](#) matched its all-time highest level of participation, with 12 organizations joining as NEEP Partners—providing visibility and leadership for efficiency from across the nation.
- We focused on building our web presence through our website, www.neep.org, our blog, social media channels, and partnerships with other websites such as [The Energy Collective](#).
- NEEP significantly expanded its social media presence via [Twitter](#), [Facebook](#), and [LinkedIn](#), and our blog, [Energy Efficiency Matters](#), saw a 67 percent increase in traffic by the end of 2012.

GOVERNOR DANIEL MALLOY VOICES COMMITMENT TO ENERGY EFFICIENCY AT THE 2012 SUMMIT



On June 13 and 14, 2012, over 200 people gathered in Stamford, CT for the 2012 Northeast Energy Efficiency Summit. Policy makers, utility partners, manufacturers, and other efficiency stakeholders converged at this annual keystone event to discuss The Business Case for Efficiency. We were thrilled to be joined by Connecticut Governor Dannel Malloy, in addition to our renowned cast of guest speakers, who has been a leading voice in the state’s clean energy and efficiency agenda.

To a packed room, Gov. Malloy said, “There is one sure winner that government can pick. That, as you all know, is energy efficiency. Dollar for dollar, it is still the best strategy, that’s why Connecticut is firmly committed to energy efficiency and prepared to double down its investment. Cheaper, cleaner, and more reliable. That has to be our energy mantra.”

“I hope the states, businesses and organizations you all represent will also continue your efforts to expand efficiency programs. If we all pull together on efficiency, the cumulative effect of what we can achieve will make a real difference for the future of our nation and this planet.”



REDUCE ENERGY USE IN BUILDINGS



Currently, 48 percent of the country’s energy is expended in buildings, and new building construction is predicted to increase through 2035, providing a critical opportunity for the advancement of energy efficiency. In particular, the Northeast and Mid-Atlantic region has significant need for energy efficiency investments due to its dense population, the nation’s highest energy costs, and a large percentage of older building stock. **NEEP finds innovative ways to provide guidance and best practices on a variety of key issues, including energy codes, retrofits, and zero net energy buildings. As a result, we effectively promote and encourage energy efficiency in structures old and new, from expansive business “campuses” to the neighborhood grocery store.** Most notably, in 2012:

- NEEP released an update to its Model Progressive Building Energy Codes Policy. The full report, along with six new case studies, is available on the [NEEP website](#).
- With the Massachusetts Department of Energy Resources (DOER), NEEP launched Phase 1 of a two-phase Commercial Building Benchmarking Pilot project: [Consulting Services for Raising the BAR \(Building Asset Rating\)](#).
- In conjunction with the NEEP Summit in June, NEEP brought together nearly 80 people for a full-day workshop on [Making the Grade - Building Energy Rating in the Northeast](#).
- NEEP published the “[Roadmap to Zero Net Energy Public Buildings: Recommended Steps for the Northeast and Mid-Atlantic](#),” a comprehensive report that presents a series of recommendations for how to achieve broad deployment of zero net energy public buildings.
- With Efficiency Maine, NEEP worked to develop a multi-year energy efficiency strategy to accelerate comprehensive energy retrofits in 5-20 unit multifamily housing in Maine.
- NEEP launched a [Comprehensive Multifamily Resource Center](#), an online source of information and resources to support comprehensive multifamily efficiency retrofit programs.

NEEP LAUNCHES COMPREHENSIVE MULTIFAMILY RESOURCE CENTER



Key partnerships, extensive program offerings, and newly developed resources are guiding multi-family efficiency forward. NEEP launched the [Comprehensive Multifamily Resource Center](#), to provide an online source of information on regional activity and resources, and news from the Northeast and Mid-Atlantic region to support comprehensive multifamily efficiency retrofit programs. As the project continues, the Resource Center will expand to include case studies and best practices.

This resource is a stepping stone toward the realization of full-scope, regional-level, multi-family efficiency savings. Historically, this achievement has been difficult to reach, but thanks to innovative approaches, and regional commitment, these goals are in sight.

SPEED ADOPTION OF HIGH EFFICIENCY PRODUCTS



A trip to the local home improvement store reveals that shelves are full of many high efficiency products intermingled with those that are inefficient and outdated. With so many choices, it is important to have programs and policies in place that encourage consumers to choose the most efficient options. NEEP promotes the market introduction and adoption of high efficiency lighting, consumer electronics, and a myriad of other appliances. Our collaborative efforts in 2012 led to the release of regional strategies, new product development specifications, increased adoption and awareness of heat pump water heaters and other emerging technologies, and improved the market for Advanced Power Strips which reduce energy from connected electronic devices. NEEP also influenced product efficiency standards at the state and federal level, bringing the region's voice and interests to decisions impacting the entire nation. **Thanks to our expertise, commitment, and collaboration with regional stakeholders, NEEP is a leading source for information on new and emerging technologies, always on the lookout for the next game-changing innovation.**

Most notably, in 2012:

- In March 2012, NEEP released the [Northeast Residential Lighting Strategy](#) which offered a roadmap to realizing the goal of achieving a 90 percent high efficiency socket saturation rate by 2020. Subsequently, the update to the RLS was published in late 2012; it is the first in an annual process of updating and supplementing the information and recommendations contained in the original strategy.
- The [DesignLights Consortium® Solid State Lighting Qualified Products List](#) grew by 10,455 products in 2012, ending at 18,369 products from 233 manufacturers. The DLC also developed technical specifications for 11 new product categories—the foundation of the QPL.
- NEEP released the [Northeast and Mid-Atlantic Heat Pump Water Heater Market Strategies Report](#) to guide the region as it continues its promotion of this technology, and ultimately demonstrates leadership through the market adoption of this emerging technology.
- NEEP led the Advanced Power Strips project, enabling efficiency programs to more broadly promote the growing technology. Phase-one resources and reports can be found [here](#).
- The Northeast and Mid-Atlantic Appliance Standards Project engaged with and provided input to the U.S. DOE on their rulemaking process for a number of products, most notably [residential furnace fans](#), [distribution transformers](#), and [battery chargers/external power supplies](#).
- NEEP provided leadership for [TopTen USA](#) to accelerate the adoption of super-efficient consumer products with integration into efficiency programs in Connecticut and Vermont.

THE ENERGY STAR SUSTAINED EXCELLENCE DYNASTY



SUSTAINED EXCELLENCE

Winners of the prestigious Sustained Excellence Award are selected from nearly 20,000 organizations that participate in the ENERGY STAR program, and despite tough competition, the outstanding work accomplished by NEEP's Retail Products Initiative continues to earn ENERGY STAR's highest honor.

NEEP Sponsors that support and participate in this initiative were selected for recognition by the US EPA ENERGY STAR program, receiving their fifth Sustained Excellence Award in promoting ENERGY STAR products, the program's highest honor and a clear indication of the region's leadership in energy efficiency with ENERGY STAR lighting products. Since 2000, NEEP Sponsors have received a total of 12 ENERGY STAR awards. Congratulations!



ADVANCE KNOWLEDGE AND BEST PRACTICES



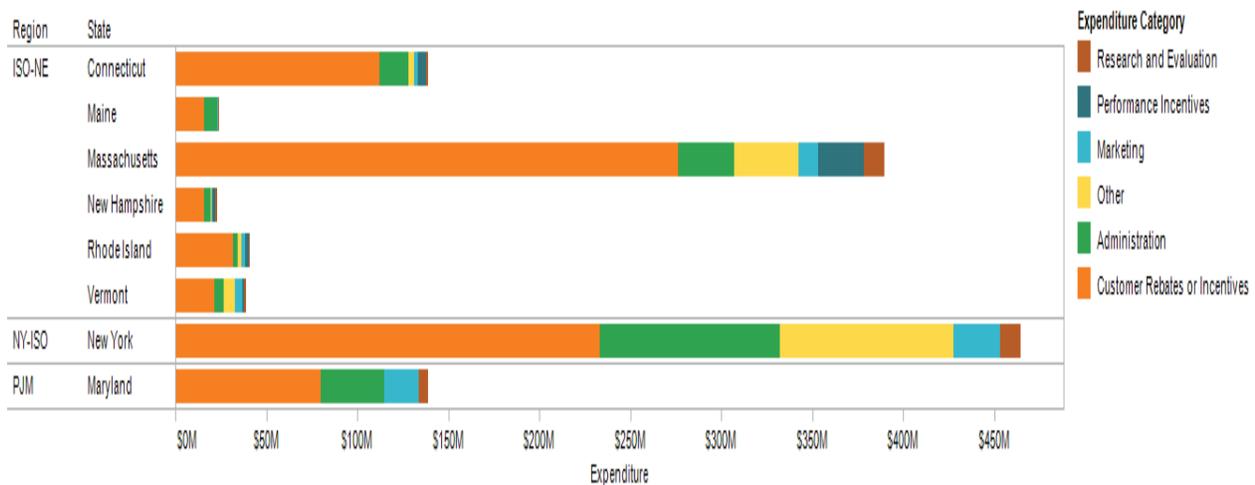
With the enormous potential for energy efficiency comes an enormous amount of information and data regarding energy efficiency savings, policies, and program opportunities. To achieve the full potential for cost-effective energy efficiency and ensure consistent measurement of its impacts, NEEP promotes knowledge and best practices to stakeholders across the region to build transparency and understanding. In 2012, we led the way by developing a comprehensive efficiency database, creating common support for EM&V standards, and tracking state-level efficiency trends. **Known for finding new ways to share information with everyone from policy makers to regulators to small business owners, NEEP is a nationally respected leader and often sought out for our energy efficiency expertise.**

Most notably, in 2012:

- The Regional EM&V Forum launched and developed draft reports on several EM&V topics: guidance on attributing savings to EE program code activities; incremental cost research for priority measures; loadshape research; and an update to the Mid-Atlantic technical reference manual. The [Regional Energy Efficiency Database \(REED\)](#) was fully developed, including data collection tools reports and website (with the REED public launch in early 2013).
- On December 12, the Forum held its 2012 Annual Public Meeting in Washington, DC. Over 100 people attended the event, which featured high-level [panel discussions and presentations](#) on the importance of building a common platform for EM&V to support energy and environmental policies.
- NEEP's Policy Outreach and Analysis team engaged with policy-makers and partners to defend the region's most significant and effective efficiency programs and policies. Tracking trends in state energy efficiency investment and savings was a significant focus, along with publication of our electronic resources including [Highlights](#), the [Policy Snapshot](#), and the [Policy Tracker](#).
- NEEP participated in proceedings and stakeholder processes across the region, submitting nearly 30 sets of written [comments](#) in an array of proceedings from Maine to Maryland.
- NEEP continued to be sought out for our policy expertise and data analysis, as a number of advocates, efficiency program administrators, practitioners, and local, state, and federal policymakers turned to us for our knowledge, our perspectives, and our connections in the field.

NEEP'S HIGHLY ANTICIPATED REGIONAL ENERGY EFFICIENCY DATABASE (REED) MAKES ITS DEBUT

Total Annual Expenditures



REED is the only regional resource to provide transparent and common reporting of electric and natural gas energy efficiency program savings, associated costs, avoided emissions, and job impacts. This resource will pave the path toward consistent reporting across the Northeast and Mid-Atlantic, with the purpose of supporting state and regional energy and environmental policies.

REED currently houses 2011 electric and gas energy efficiency program data for eight states: Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island and Vermont. Energy efficiency stakeholders across the region will use the REED data to conduct analyses of efficiency program and policy design, assist with air quality reporting, inform system planning, and compare energy efficiency impacts across states. NEEP will continue to add value to the resource, with plans to add 2012 energy efficiency data from the eight participating states along with Delaware and the District of Columbia in fall 2013.



NEEP'S 2012 FUNDERS

NEEP's many achievements would not have been possible without your steadfast support and engagement. Thank you to our 2012 funders and stakeholders for everything that you do. We look forward to our continued partnership, and many more shared successes.

Baltimore Gas & Electric Company
Barr Foundation
BC Hydro
Burlington Electric Department
Cape Light Compact
ComEd
Connecticut Energy Efficiency Fund
Connecticut Light & Power
Connecticut Municipal Electric Energy Cooperative
Connecticut Natural Gas
Conservation Services Group
Cree
DC Sustainable Energy Utility
Delaware Division of Energy and Climate
Duke Energy
Ecova
Efficiency Maine
Efficiency Smart
Efficiency Vermont
Electric Utility Marketing Managers of Texas
Embertec
Emily Hall Tremaine Foundation
Energy Foundation
Franklin Energy Services
Hydro-Québec
Institute for Electric Efficiency
Institute for Market Transformation
Jacksonville Energy Authority
JACO Environmental
John Merck Fund
Long Island Power Authority
Maryland Energy Administration
Massachusetts Clean Energy Center
Massachusetts Department of Energy Resources
Merck Family Fund
Midwest Energy Efficiency Alliance
Missouri River Energy Services
National Grid - MA, NH, NY, RI
Natural Resources Canada
New Hampshire Electric Co-op
New Hampshire Saves
New York Power Authority
New York State Energy Research and Development Authority
Northeast Utilities
Northwest Energy Efficiency Alliance
NSTAR Electric & Gas
Opower
Osram Sylvania
Pacific Gas and Electric Company
PECI
PECO
Pepco Holdings Inc.
Philips Lighting
Public Service of New Hampshire
Sacramento Municipal Utility District
Salt River Project
San Diego Gas & Electric
Santee Cooper
Southern California Edison
Southern Connecticut Gas
Southern Maryland Electric Cooperative
Tennessee Valley Authority
Tetra Tech
The Potomac Edison Company
U.S. Department of Energy
U.S. DOE Lawrence Berkeley National Laboratory
U.S. DOE Oak Ridge National Laboratory
U.S. DOE Pacific Northwest National Laboratory
U.S. Environmental Protection Agency
UES - Gas
United Illuminating Company
Unitil
Vermont Department of Labor
Vermont Department of Public Service
Western Electricity Coordinating Council
Western Massachusetts Electric Company
Wisconsin Focus on Energy
Yankee Gas



2012 FINANCIAL STATEMENT

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CHANGES IN UNRESTRICTED NET ASSETS:		
	2012	2011
Operating revenues		
EM&V Forum	1,673,480	1,590,118
DLC Qualified Products List	1,660,982	1,084,271
Contracts and grants	884,670	743,652
Sponsorships	814,951	\$760,314
Summit	231,134	227,628
Miscellaneous	14,382	88,645
Net assets released from restrictions	713,026	468,017
Total operating revenues	5,992,625	4,962,645
Operating expenses *		
Products	2,056,979	1,484,510
Knowledge	2,192,044	2,151,943
Buildings	1,043,374	691,648
Visibility	349,012	236,153
Development and Fundraising	151,038	208,115
Total operating expenses	5,792,447	4,772,368
Changes in unrestricted net assets	200,178	190,278
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Foundation grants	714,028	830,126
Net assets released from restrictions	-713,026	-482,835
Changes in temporarily restricted net assets	1,002	347,291
Changes in net assets	201,180	537,569
NET ASSETS, beginning of year	1,582,470	1,044,901
NET ASSETS, end of year	\$1,783,650	\$1,582,470

* Includes fully allocated indirect costs.

The above information is excerpted from the audited financial statements of Northeast Energy Efficiency Partnerships, Inc. The full statement is available for inspection at the NEEP office.



NEEP STAFF

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Allison Webster	Senior Associate, Building Energy Policy
Danielle Wilson	Regional EM&V Forum Associate



NEEP GOVERNANCE - 2012 BOARD OF DIRECTORS

Executive Committee

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Scott Johnstone Board Vice President	Executive Director Vermont Energy Investment Corporation
Dan Zaweski Board Treasurer	Director of Energy Efficiency & Distributed Generation Long Island Power Authority
Ron Araujo Board Clerk	Manager of Conservation & Load Management Northeast Utilities
Susan Coakley	NEEP Executive Director

Board Members at Large

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Vignesh Gowrishankar	Sustainable Energy Fellow Natural Resources Defense Council
Frank Murray	President & Chief Executive Officer NYSERDA
Steve Nadel	Executive Director American Council for an Energy-Efficient Economy
Richard Sedano	Principal and US Programs Director Regulatory Assistance Project
Daniel Sosland	Executive Director Environment Northeast
Edward White, Jr.	Vice President Energy Products National Grid
Board Advisor	
Taresa Lawrence	District Department of the Environment - Energy Administration