From Our Leadership

First off, a thank you.

Henry Ford once said that “working together is success.” Our 2019 success engaged participants from government, industry, efficiency programs, and advocacy across the region to take building decarbonization in the Northeast U.S. to the next level.

The following pages of this report tell that story of success - highlighting our achieved outcomes and reached goals over this past year. This tale of success is because of you, our participants and our funders. Thank you for your time, your collaboration, your insight, your example, and your support. Because of you, our region’s homes, buildings, and communities are becoming efficient, affordable, low-carbon, resilient places to live, work, and play.

This past year, NEEP doubled-down on advancing building energy efficiency and decarbonization with our stakeholders. To increase impacts, we strengthened linkages between our advanced technologies, buildings, and community solutions – supported by a new integrated Building Decarbonization Public Policy Framework of best practices for state and local leaders. By year-end, state and local government raised the bar for carbon emission reductions with some of the most aggressive goals and mandates in the U.S.

We also engaged new regional and national collaborations to leverage ideas, and resources to increase policy and market impact to decarbonize, including a strategic collaboration with EPRI and NESCAUM for an exciting Northeast Electrification Symposium: Pathways to Decarbonization in the Northeast.

In addition, we strengthened our Regional Air Source Heat Pump Market Transformation Initiative and the Home Energy Labeling Information eXchange (HELIX) initiatives with new subscription programs. We also received new foundation support, expanded our NEEP Allies program, and grew our state partnerships to eight jurisdictions.

The numbers and stories laid out on the following pages provide insight into the impact your partnership has had on this changing landscape.

We are excited about the 2019 progress to set the stage for regional scale building decarbonization, and look forward to future regional collaboration and success.

Thank you.

Sue Coakley
Executive Director

Scott Johnstone
Board President

*All content in report is for calendar year 2019.*
NEEP 2019 Overview

Vision
We envision the region's homes, buildings, and communities transformed into efficient, affordable, low-carbon, resilient places to live, work, and play.

Mission
We seek to accelerate regional collaboration to promote advanced energy efficiency and related solutions in homes, buildings, industry, and communities.

Goal
Assist the Northeast and Mid-Atlantic region to reduce building sector energy consumption three percent per year and carbon emission 40 percent by 2030 (relative to 2001).

Our approach is to drive market transformation regionally by fostering collaboration and innovation, developing tools, and disseminating knowledge.
NEEP forged partnerships and brought stakeholders together to develop, advance, accelerate, and integrate advanced energy efficiency solutions with coordinated efforts, regional learning, and resource leveraging.

Engage and Empower Stakeholders

NEEP Allies by Industry

- Utility
- Non-Profit
- Service Provider
- Trade Association
- Advocacy or Research Organization
- Government
- Manufacturer
- Program Designer/Admin/Eval

93,342 unique website visitors
1,000+ unique working group participants
297 webinar attendees
682 unique in-person NEEP event attendees
56 Allies
Advance Knowledge

NEEP developed and distributed regional best practice information resources, and served as a regional peer exchange network to advance next generation energy efficiency.

24+ end-user water and wastewater sites received 50001 Ready training

24 working group meetings

7 NEEP in-person events

14 interviews of NEEP staff members

71 blogs (staff and partners)

3 high profile pieces of media coverage addressing various topics of building and transportation decarbonization from NEEP’s perspective

24+ states (MA, ME, NJ, NY, and VT) moved forward decarbonization plans and roadmaps to meet state carbon emission goals

5 states (CT, DC, MD, ME, and NH) had efficiency programs launch new smart energy homes pilot programs

10+ Northeast stakeholders joined NEEP in submitting comments to US DOE and the U.S. Environmental Protection Agency (US EPA) ENERGY STAR program

and Best Practices
NEEP conducted independent analysis and served as a technical expert on energy efficiency potential, best practices, impacts, evaluation, and integration with other demand side resources.

41,012 downloads from NEEP.org
34 external presentations by NEEP staff
26 communities received direct technical assistance
9 NEEP guidance strategies published

HELIX has solar PV data from 4 states (CT, MA, NH, and VT).
Advance Regional Market Transformation Opportunities

NEEP engaged support for, recommended, tracked, and reported progress of regional market transformation initiatives that drove innovative advanced energy efficiency opportunities.

- **5 states** (CT, MA, ME, NY, and VT) have ratepayer-funded efficiency programs that provide all-fuels services.
- **7 states** (CT, DC, MA, ME, NY, PA, and RI) proposed new state appliance standards in 2019.
- **4 states** (MA, NH, RI, and VT) adopted or are considering adoption of energy efficiency program metrics to reduce total energy consumption.
- **22+ new Northeast communities** committed to energy-and carbon-reduction goals.
- **3 additional states** (CT, PA, and NH) joined MA and RI in including non-energy impact in their frameworks.
- **8 states** (CT, DC, DE, MA, NH, NJ, NY, and RI) have ongoing investment in code compliance initiatives.
- **6 states** (CT, DC, NY, PA, RI, and VT) worked with NEEP to track M&V 2.0 use.
- **6 states** (CT, MA, NH, NY, RI, and VT) have energy efficiency programs that include SEM in their offerings to customers.
- **5 states** (MA, NH, NY, RI, and VT) moved forward plans to adopt program metrics and EM&W for demand-side resource programs that reflect total building energy efficiency performance as well as carbon efficiency.
- **5 more energy efficiency programs** (PA, DC, Nova Scotia, New Brunswick, and Ontario) in the Northeast U.S. and Canada added smart product offerings to their customers.
- **7 states** (CT, MA, NH, NJ, NY, PA) have policies, plans, or programs that encourage the development of high performance and/or zero energy buildings at the local level.
- **3 states** (CT, NH, and PA) and 10 cities (Boston; Burlington; Cambridge; the District of Columbia; Hartford; New York City; Philadelphia; Pittsburgh; Portland; and Providence) implemented strategic electrification policies or programs.
- **5 states** (MA, NH, NY, RI, and VT) moved forward plans to adopt program metrics and EM&W for demand-side resource programs that reflect total building energy efficiency performance as well as carbon efficiency.
- **All New England states** (CT, MA, ME, NH, RI, and VT) participated in and provided input to ISO-NE’s 2019 Energy Efficiency Forecast to better reflect end use load profile (peak) characteristics.
- **7 states** (CT, DC, MA, ME, NY, PA, and RI) proposed new state appliance standards in 2019.
2019 Year in Review: Codes

Homes and buildings continue to be one of the largest users of energy in the United States, accounting for approximately 41 percent of all energy consumption, 72 percent of electricity usage, and over 33 percent of greenhouse gas emissions. Because this represents such a significant portion of our energy use, codes and policy must govern the way and extent to which homes and buildings use energy.

2019 was an unprecedented year regarding energy code activity, with code adoption activity occurring in all 13 states in the NEEP region. This past year also saw stretch code development in Vermont, Connecticut, Maine, New York, Massachusetts, and Washington D.C. There were also weakening amendments (NJ, PA, MD, RI) and several states adopting the 2015 IECC (ME, PA, NH) instead of the 2018 IECC. This dampens the overall potential 2019 efficiency gains; however, these states had not adopted new codes in three to nine years, indicating a shift towards greater energy efficiency in codes.

NEEP's 2019 update to the Zero Energy Road Map Report captures this progress and how it will play a significant role in advancing greenhouse gas reductions, occupant and utility savings, and building resiliency. Both regional and state-specific energy code working groups in Maine, New Hampshire, and Massachusetts supported adoption initiatives through technical guidance and communicating and sharing of best practices and model initiatives. A new NEEP report, titled Green Zoning: Using local Zoning to Achieve Community Energy Efficiency & Resiliency, provides new strategies for communities limited by state laws to achieve greater energy and cost savings via zoning ordinances. And a new one-pager and accompanying blog regarding Energy Codes as Life Safety Codes communicates the health and safety value that modern energy codes bring to occupants.

NEEP’s research, resource dissemination, and working groups have elevated the region to include six of the top 10 energy efficient economies per ACEEE’s 2019 scorecard. All NEEP states earned a collective 71 out of 104 possible points in the buildings category. As part of this, an increasing number of states are considering zero energy, zero carbon, and zero energy ready construction parameters as the foundation of one of their next base or stretch codes. NEEP’s focus is on continuing this regional momentum towards zero energy by continuing to support energy code adoption, compliance, and enforcement initiatives; creating new, innovative resources while maintaining old ones; and building further partnerships as we work to create more resilient, healthy, and energy-efficient buildings.
2019 represented a significant year of growth and excitement for NEEP’s air source heat pump initiative. The ASHP Initiative aimed high and delivered – from the successful introduction of a new subscription program, to the launch of a new cold-climate ASHP product list website, to expanded adoption of our installer guides, to the development of a new Consumer Buying Guide and case studies, to the inclusion of commercial VRF systems. There was a lot to applaud across the year.

NEEP’s initiative is built on the market transformation strategies that were developed for both ASHPs and VRFs. These strategies outlined different opportunities and challenges for the region to address in order to move the market. Key areas of focus in 2019 included consumer education, installer education, program best practices, and improved performance metrics.

NEEP’s new subscription program attracted 58 participating organizations that included ASHP manufacturers, ASHP program administrators, installers/distributors, state and local energy agencies, and others. The initiative is structured to coordinate the activities of these various players to implement the approaches and tactics laid out in our strategies, all with the ultimate goal of driving accelerated adoption of this technology.

The initiative’s tools and resources took center stage in 2019. The new product list website became an integral part of ASHP promotions as 11 programs leveraged the list, which establishes a qualified products list for programs to identify eligible products for promotion. In addition to the product list, the installer guides have helped to establish best practices for designing and installing ASHP in cold climates. The guides were downloaded 3,087 times and the video versions viewed 8,796 times. Many programs in the region are directly linking to these valuable resources.
Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2019

Changes in Net Assets Without Donor Restrictions:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>$3,400,655</td>
</tr>
<tr>
<td>Contracts and grants</td>
<td>$1,961,799</td>
</tr>
<tr>
<td>Partners and allies</td>
<td>$1,193,645</td>
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<tr>
<td>Meetings, workshops and events</td>
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</tr>
<tr>
<td>Interest and other</td>
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<tr>
<td>Total operating revenue</td>
<td>$3,400,655</td>
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</table>

Operating expenses *:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Recognition &amp; Progress Tracking</td>
<td>$701,564</td>
</tr>
<tr>
<td>Pathways for Efficient and Resilient Communities</td>
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<tr>
<td>Integrated Advanced Efficiency Solutions</td>
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<tr>
<td>Strategic Electrification &amp; Distributed Energy Resources</td>
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<td>Fundraising</td>
<td>$56,439</td>
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<td>General and Administrative</td>
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<td>Total operating expenses</td>
<td>$3,293,947</td>
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Changes in net assets without donor restrictions: ($106,708)

Changes in Net Assets With Donor Restrictions:

<table>
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<tr>
<th>Activity</th>
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<tbody>
<tr>
<td>Foundation grants</td>
<td>$475,144</td>
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<tr>
<td>Net assets released from restrictions</td>
<td>$(335,726)</td>
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<tr>
<td>Changes in net assets with donor restrictions</td>
<td>$139,418</td>
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<tr>
<td>Changes in net assets</td>
<td>$246,126</td>
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Net Assets:

<table>
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<tr>
<th>Period</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Beginning of year</td>
<td>$2,885,453</td>
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<tr>
<td>End of year</td>
<td>$3,131,579</td>
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* Includes fully allocated indirect costs.

The above information is an excerpt from NEEP's 2019 audited financial statements.
NEEP is a part of national network of regional energy efficiency organizations (REEOs) funded in-part by U.S. DOE to support state and local efficiency policies and programs.
Foundations, corporations, industry leaders, and more lent their financial support to NEEP to help move forward our initiatives and partnerships in the Northeast and Mid-Atlantic Region.
NEEP Allies are industry leaders, non-profits, manufacturers, etc. that support NEEP's mission and wish to highlight their leadership in energy efficiency.
Thank you for your continued support.