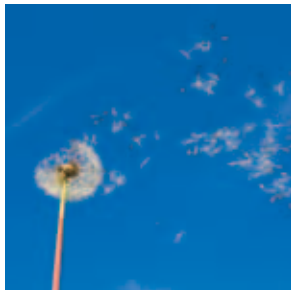
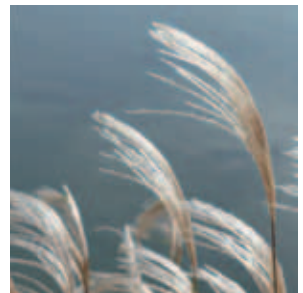


ACCELERATING ENERGY EFFICIENCY

Make it Matter. Make it Count. Make it Happen.



2009 ANNUAL REPORT



NEEP is a non-profit organization that transforms the way we use and think about energy, through advocacy, collaboration and education designed to accelerate energy efficiency and make visible its impacts on the region, the economy, the planet, and future generations.



Table of Contents

Welcome Message	4
We Make It Matter	6
We Make It Count	8
We Make It Happen	10
Putting the Pieces Together in 2009: Our Accomplishments	12
• Speeding Adoption of Products	12
• Bringing Together The Marketplace	16
• Reducing Energy Use in Buildings	18
• Educating the Industry	20
• Unlocking Energy Efficiency's True Potential	22
Financial Statement	24
You Make It Work	25

Accelerating Energy Efficiency in the Region: Breakthroughs & Barriers



Susan Coakley
Executive Director



Penni McLean-Conner
Board President

We founded NEEP 14 years ago when we realized that the opportunity for improved energy efficiency was staring us right in the face yet no one knew how to move it forward. People wondered how to accelerate efficiency as an energy resource. How would it be measured? How would we demonstrate its reliability? Could we convince consumers that efficiency did not simply mean turning down their heat and turning off their lights? Fast forward to 2010: there has never been more commitment to and funding for energy efficiency at the state, regional and federal levels yet many of the same challenges still exist.

The barriers to accelerating energy efficiency are not unique to our region; they are shared around the world, as we collectively seek more cost-effective, clean, sustainable energy solutions. Those of us working to advance energy efficiency are tackling some big issues—entrenched behaviors, complex markets, and limited understanding of its true meaning. Each has significant implications for our region, our economy, and our planet.

In 2009, NEEP identified three strategies to overcome the barriers to accelerating energy efficiency:

1. We need to make efficiency more visible, tangible and top of mind.
We Need to Make It Matter!
2. We need to ensure our funding goes to the projects and programs that will have the most impact on accelerating energy efficiency in our own communities.
We Need to Make It Count!
3. And we need to bring together all of the various game changers in the marketplace to share and leverage learning and efforts.
We Need to Make It Happen!

While these strategies are applicable to any organization working to advance or promote energy efficiency, the Northeast region plays a critical role in helping the United States model them effectively. And this is for good reason. With dwindling supplies of fossil fuels and some of the highest energy costs in the country, the Northeast must mobilize effective solutions for accelerating energy efficiency with some urgency. In 2010 alone natural gas and electricity customers in the Northeast will provide more than \$2 billion for energy efficiency programs to acquire all cost-effective energy. Couple this with legislation that mandates robust savings goals, strengthened building codes and appliance standards, and community-based efficiency initiatives and we see rapid market transformation across the region. From Maine to DC, states are looking at innovative ways to reduce consumption, save money, grow local economies and create jobs, turning the Northeast into a national and international hub for clean energy.

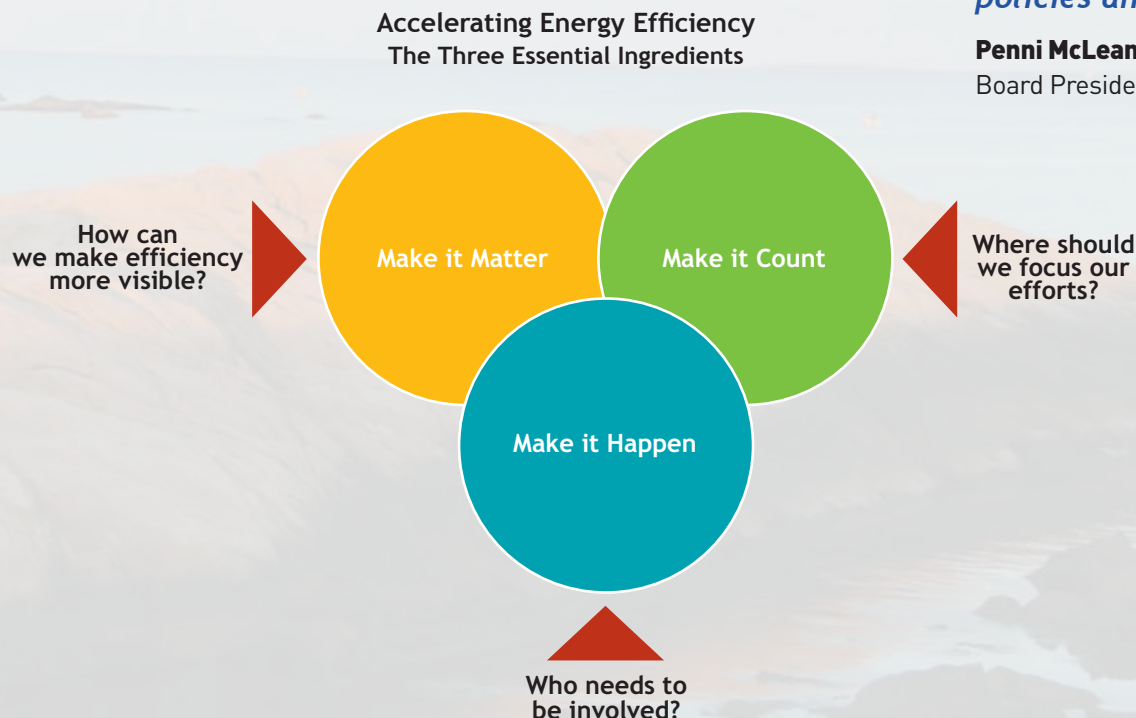


2009 provided many challenges as a result of the recession but many opportunities arose as well. Through the American Recovery and Reinvestment Act the Northeast and Mid-Atlantic states are on track to receive \$2.3 billion in federal funding for efficiency initiatives. Never before has there been more capital to make efficiency happen. And never before has there been a greater need for an organization like NEEP to bring the market players together as the region works towards effectively using those dollars to realize major energy savings that create sustainable long-term economic impacts. Working with our Sponsors and Partners in 2009, NEEP provided valuable guidance on how to design and implement efficiency initiatives, work with numerous stakeholders to positively affect policy and bring new efficient products to the market.

As a result of our work in 2009, NEEP worked to carve out a roadmap for effective and sustainable efficiency programs and policies, and set the stage for new strategies to make efficiency matter, make it count, and make it happen throughout the region.

NEEP is instrumental in advancing the region's energy efficiency movement through advocacy, collaboration and expertise in implementation. Their collaborative approach involving all stakeholders makes NEEP an invaluable partner in our ongoing efforts to develop energy efficiency markets, policies and programs.

Penni McLean-Conner
Board President



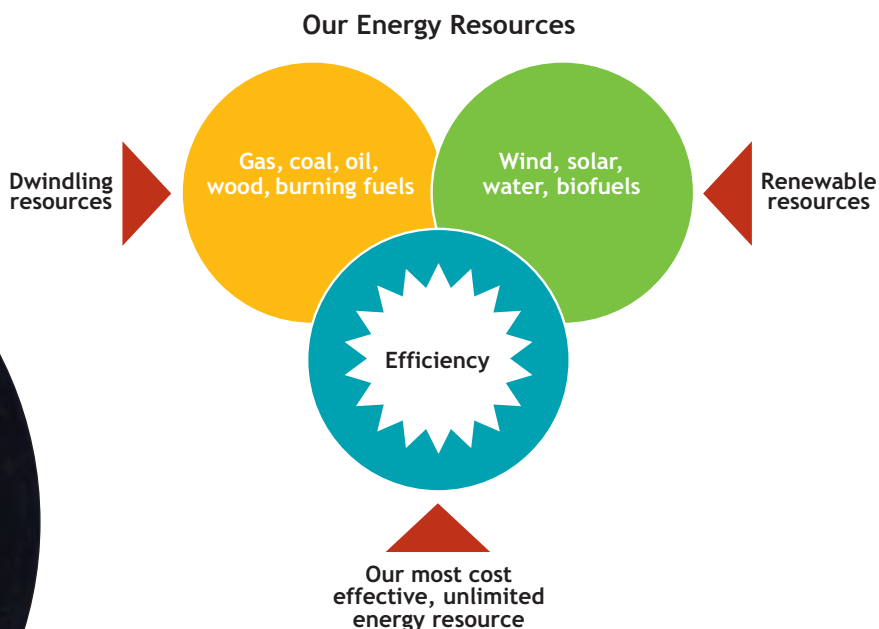
We Make it Matter

“One of the fastest, easiest, and cheapest ways to make our economy stronger and cleaner is to make energy more efficient.”

— PRESIDENT BARACK OBAMA

Improving energy efficiency is the answer to some of today's most pressing problems. Energy efficiency is a powerful approach to securing energy security, climate change mitigation, and environmental and economic sustainability. As the world scrambles to uncover new sources of clean energy, it is the one existing energy source that is clean, abundant and immediately available—and it has tremendous potential to reduce our carbon footprint, stimulate the economy, and decrease energy costs.

While energy efficiency is ubiquitous, it is also invisible. You cannot see it, and people tend to want to invest in things they can feel and touch. This creates a unique challenge in helping energy efficiency realize its potential. It is not as easy to understand as solar and wind energy, and is often overlooked in the media frenzy over alternative fuels. And yet the power of energy efficiency to transform the world is remarkable. It has the ability to impact the region, the economy and the planet, and it has the power to do it economically and *right now*, across the country and in our own backyard. At NEEP, we work with the industry and policy makers to make energy efficiency more visible, more compelling, and a larger part of the sustainability movement that is taking center stage around the world.



Though accounting for only 5% of the world's population, Americans consume 26% of the world's energy.

THE INVISIBLE HERO: UNDERSTANDING OUR ENERGY RESOURCES

People tend to think of energy efficiency as an abstract concept—a philosophy, framework, or approach to reducing energy consumption. The truth is that efficiency goes way beyond energy conservation. It is actually a powerful resource that can be harnessed in the same way we might harness any of our tangible natural resources. It can be measured, generated, and delivered. For this reason, NEEP is working to redefine efficiency as a clean energy resource that stands alongside wind, solar, and existing fuel sources as one of our most essential drivers and sources of energy.



DWINDLING ENERGY RESOURCES > MUST BE CONSERVED

The world's existing supply of fuel is limited, and its production and use greatly impact the environment. The reaction to these weaknesses has been a focus on conservation. But conservation implies sacrifice, and this is a huge obstacle to overcome in the marketplace as it is difficult to change consumer and industry behaviors overnight. Efficiency can maximize the

use of these resources without sacrifice, while minimizing the impacts on the environment—and at one-third the cost of new supply.



RENEWABLE ENERGY RESOURCES > MUST BE CREATED

Creating new sources of clean energy is at the top of the world's energy agendas, and it should be. We need to lessen our dependence on dwindling energy resources and invest in clean technologies like wind and solar. Yet the cost of these initiatives is staggering, and the reality is that it will take years for the world to fully create, optimize, and deliver these

renewable resources. Efficiency is a resource that can be immediately optimized, while renewable energy projects are developed, refined, tested, and integrated. The money we save through increased efficiency will help the region finance investments in renewable energy resources to further displace dependence on fossil fuels.



EFFICIENCY > MUST BE ACCELERATED

Energy efficiency is the one existing resource that is clean, abundant, and affordable. It overcomes the limitations of our dwindling fossil fuels and the cost of renewable energy resources. At NEEP, we work to highlight energy efficiency as the “other” clean energy resource, as it has the greatest potential for creating immediate impacts on the region, the economy, and the planet.

*Efficiency
programs in
Vermont have
reduced total
electric
consumption
for 3 years in
a row.*

We Make it Count

At a time of unprecedented funding for efficiency research, training, and expansion in the region—and with hundreds of new “green” initiatives being launched across the U.S.—it is critical that funding and program efforts are directed where they can have the most far-reaching and sustainable impacts in our region. In that context, NEEP’s 2009 projects focused on major energy savings opportunities in the Northeast & Mid-Atlantic: Buildings, Products, and Best Practices.



BUILDINGS: Reducing Energy Use

Buildings represent 40 percent of our energy use in the U.S. and one third of the world’s primary energy. In the face of rising energy costs it makes sense that building developers and operators would build or retrofit their properties to be as efficient as possible, yet this does not happen as often as it should because of limited access to needed capital and lack of information, among other factors. At NEEP, we help turn the tide by providing best practices and education for standardization and improved use of energy in both new and existing homes, businesses, public schools and universities, and commercial and industrial buildings. We focus our efforts to maximize energy efficiency in new construction through advanced building guidelines and training as well as progressive building energy codes. We address the huge efficiency opportunity in existing homes and buildings through best practices for retrofit, building energy rating, and high performance guidelines for operating and maintaining schools and public buildings for comfort and efficiency.





PRODUCTS: Speeding Adoption

Product innovation is happening at an astounding rate, as manufacturers and retailers work to develop and deliver new energy efficient technologies that revolutionize the way we consume energy without sacrificing amenity. At NEEP, we help speed adoption of these products by facilitating regional co-promotions with industry that make super-

efficient lighting, appliances, and consumer electronics visible, attractive and available to consumers. By supporting states and the federal government to adopt minimum appliance efficiency standards that eliminate energy wasting products from the marketplace, we complete market transformation cycles—and reward industry efforts to develop and introduce new energy-smart products.



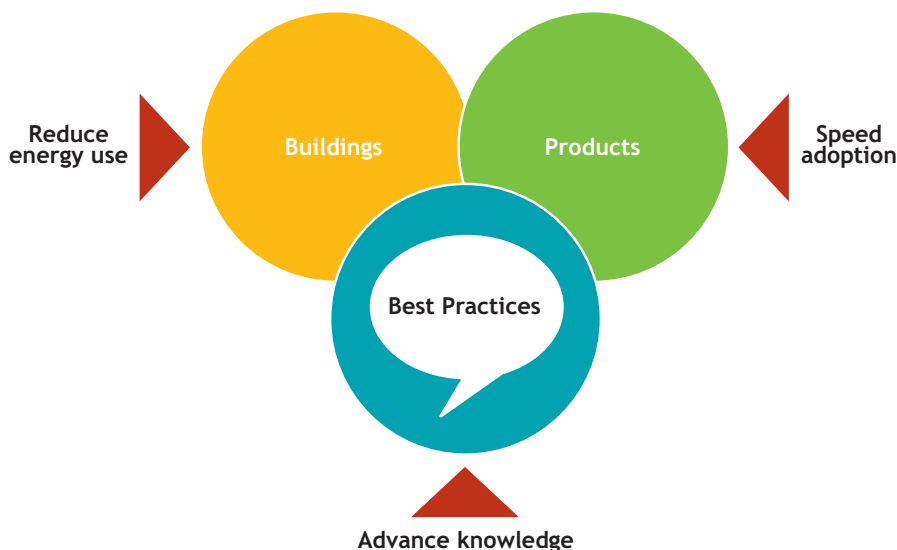
BEST PRACTICES: Advancing Knowledge

How much energy do we actually consume? How can we reduce it? Where can we have the largest impact? What can be done to leverage our individual efforts across the region to overcome barriers and build market momentum? What are the next opportunities to increase energy savings? Every day, new questions arise and new approaches

emerge that affect energy efficiency. At NEEP, we work to research, harness and share information across the region to address these evolving opportunities. Our collective data, expertise, and thought leadership creates, shapes and supports best practices that help transform markets and uncover the true potential of energy efficiency.

For every percent of energy saved, U.S. businesses would add \$11 billion to their bottom line.

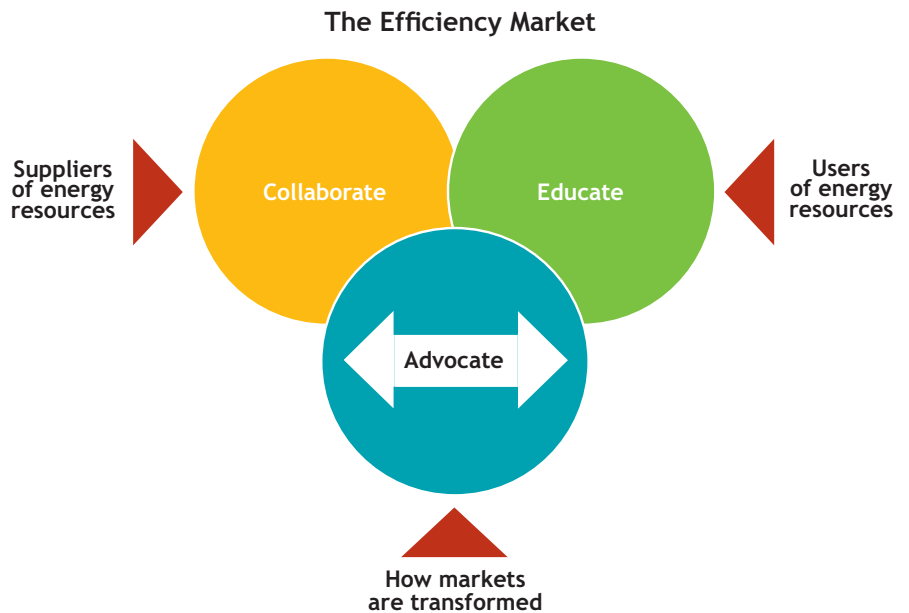
The Greatest Efficiency Impacts



We Make it Happen

Although the wise use of energy is a logical objective for society, the reality is that sensible energy efficiency investments are not always made. This is called “the efficiency gap”—a term that describes the difference between the entire pool of effective efficiency investments and those that are actually made. In part, the gap exists because of the fragmented and confusing nature of efficiency as a resource, i.e., the potential for efficiency lies in virtually every way that we use energy in our homes, buildings and industry.

As a result, many interests must come together to harvest the efficiency resource—property owners, building managers, occupants, efficiency programs, policymakers, retailers, manufacturers, designers, architects, tradespeople, and more. To bridge this efficiency gap, NEEP educates and brings together multiple stakeholders to align policy, program and marketplace interests to overcome barriers and make efficiency happen.





EDUCATE

The decisions we make every day in our homes, businesses, and communities are essential to advancing energy efficiency. At NEEP, we research efficiency opportunities and reach out to inform the program and policy initiatives across the region that ultimately change the way we use, understand and prioritize energy efficiency as a means to improve the region, the economy, and the planet. Our work also acts as a model for the rest of the U.S. As one of the largest users of energy in the country, the research, policies and programs we facilitate here in the Northeast set the stage for best practices that shape and accelerate energy efficiency across the nation.



COLLABORATE

Efficiency program administrators—along with a vast array of market players including retailers, suppliers, architects, engineers, building inspectors, facility managers, and business leaders—collectively hold the key to energy efficiency and are often pioneers in efforts to reduce energy consumption. We facilitate and leverage their expertise to drive energy efficiency across the region, helping provide energy and products faster, cheaper, and more efficiently.



ADVOCATE

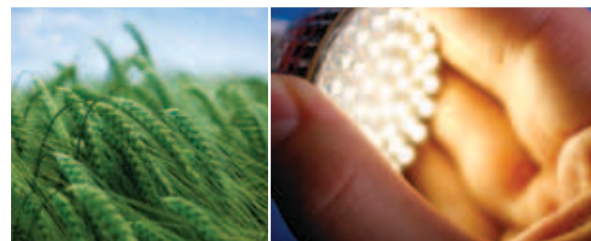
Energy efficiency has moved to the top of global political and business agendas. We work to help inform policy and bring attention to those issues that have the greatest potential for positive impact on energy efficiency across the region, both from the supply and the demand side. Our work helps identify the areas that are most in need of funding and support, and educates policy makers on the most urgent issues facing the Northeast and Mid-Atlantic regions.

*Rhode Island has the lowest
per capita energy consumption
of any state in the U.S.*



Speeding Adoption of Products

Investing in the development of energy efficient technologies can dramatically improve energy conditions in the region's residential, commercial and industrial environments, all without dramatically changing our lifestyle. NEEP marshaled the expertise of the Northeast in 2009, bringing together retailers, program administrators, and policy makers to help make efficient lighting, products, and technologies easier to understand, find, and ultimately adopt.



Lighting



It is hard to make lighting interesting, which may help account for the fact that the incandescent still accounts for around 80 percent of the bulbs sold to consumers in the U.S. Consumers and businesses alike grab and go when it comes to lights, a lot like how they buy toothpaste or copy paper. For this reason, in 2009 NEEP focused its efforts in large part on helping translate and communicate the value of lighting efficiency to the marketplace through labeling, advancing industry research, and improving the availability of efficient lighting solutions in the region.

Highlighting Product Performance

NEEP took the lead nationally to translate the results of CALiPER, the U.S. Department of Energy's (DOE) Commercially Available LED Product Evaluation and Reporting program, into a user-friendly form. To aid decision-makers, we broke down the lengthy reports to provide key performance metrics and clearly identify how each product tested. Online access to the resource—currently covering about 200 solid state lighting products—was offered to NEEP sponsors and underwriters, as well as the national Technical Information Network for Solid State Lighting (TINSSL) Planning Committee.



Advancing Qualified Lighting Products

NEEP and the DesignLights™ Consortium launched the Qualified Products List (QPL) for LED fixtures in 28 states and one Canadian province. To be considered for the QPL, manufacturers must provide data sets on their product, based on industry standard tests recognized by the Illuminating Engineering Society of North America. By the end of the year two products were listed and five applications were under review with 21 more pending. The project received Honorable Mention in the Association of Energy Services Professionals' Energy Awards Program, and all 23 DLC sponsors/members have committed to fund the project through 2010.

Looking to the Future: Trend Tracking

Federal standards for incandescent lighting will come into effect in a few years, market shares for CFLs are becoming higher, and net savings are rapidly shrinking. As a result, programs to promote the adoption of energy efficient lighting are experiencing pressure to begin ramping down. To face this challenge, NEEP proposed a research project to better explain the market and develop a new strategy for lighting programs to our sponsors and the U.S. Environmental Protection Agency and Department of Energy. The project aims to build common understanding of the current state of the market, the appropriate metrics to measure progress, and a vision for the region's programs as they plan for the future.

*When you turn
on an incandescent
light bulb, only
2% of the electricity
used is turned into
light. The rest is
wasted as heat.*



Speeding Adoption of Products

Consumer Appliances & Technologies



Whether in the home or at work, Americans consume energy like no other nation in the world. Consider, for example, the number of televisions and computer monitors in each American household and workplace—an average of 2.75 televisions per household. Energy efficiency built into the appliance is the best way to mitigate this consumption growth. In 2009, NEEP worked to generate demand for efficient products, set standards for efficiency, explore upstream opportunities, and promote and advance the region's most efficient appliances and consumer technologies.

Identifying the Best of the Best

NEEP led the development of TopTen USA, serving as interim President of the Board of Directors and as a member of the Advisory Committee. The goal of TopTen USA is to lead ultra high-efficiency products into the market, generate customer demand, and enable incentive support from efficiency programs. TopTen USA moved towards implementation in 2009, completing product lists for the initial four products—televisions, computers, refrigerators, and room air conditioners. The program will allow efficiency programs to develop cooperative promotional strategies to generate consumer interest and significant savings, while leveraging the ENERGY STAR brand in a complementary fashion.

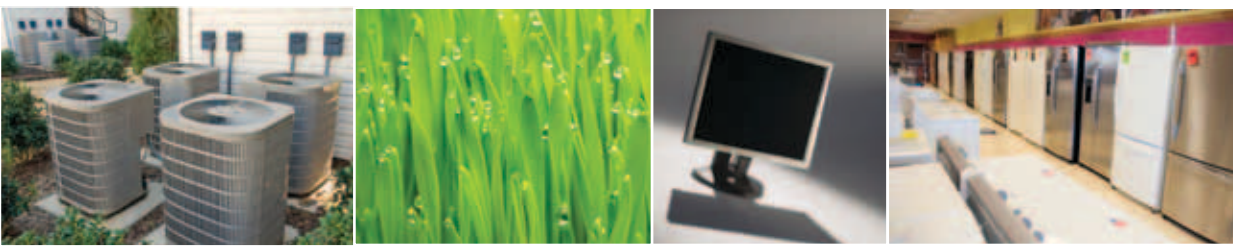
Watching TV's: An Eye on Television Efficiency

Today's televisions are bigger, more energy intensive, and in higher demand than ever, providing tremendous potential for energy savings. To harness these savings opportunities, NEEP focused its 2009 standards adoption efforts in the Northeast states on televisions. Based on standards proposed by the California Energy Commission, NEEP worked with state partners in Massachusetts, Connecticut, New York, Maryland, and Pennsylvania to introduce and promote new television efficiency standards. The proposed standards for televisions would save Northeast states over 3,436 gigawatt-hours of electricity by 2020.

Set-Top Box is Top of Mind

Set-top boxes for cable, fiber-optic, and satellite television service are another significant user of energy in the U.S. and beyond. NEEP worked with Canadian efficiency programs, U.S. service providers and hardware manufacturers toward the ultimate goal of transforming the market. NEEP will continue to develop these relationships in an effort to identify program models and other strategies appropriate for the regulatory constructs in the Northeast.





It's Cooler Upstream: New Product Promotions

NEEP guided interested sponsors through the development and execution of a Request for Proposals for cooperative promotion of ENERGY STAR-qualifying residential central air conditioner equipment, contractor training, and non-incentive marketing. Through NEEP's facilitation, Massachusetts and Rhode Island sponsors created promotions to leverage new and existing manufacturer and distributor efforts to enable deeper penetration rates for equipment and best practice installations than would be yielded through prior end-user and contractor incentive tactics.

Setting the Standard: Advancing Appliance Efficiency Standards Regionally and Nationally

While we focused on advancing a package of state-based appliance efficiency standards in several Northeast states, we also spent considerable effort coordinating activities among a network of regional and national advocates, representing Northeast state interests as part of a major advance of federal appliance efficiency standards. Our Public Policy Director, Jim O'Reilly, was one of eight members of the Appliance Standards Awareness Project National Steering Committee to meet with new U.S. DOE Assistant Secretary of Energy Cathy Zoi in Washington, D.C. to discuss the DOE's appliance standards program, bringing the region's voice and interests to the national stage. Encouraged by this advocacy, the DOE not only advanced 15 separate standards revision processes, but their final determinations on several key products categories (fluorescent lamps/reflector lamps and vending machines) demonstrated an aggressive new approach toward this policy mechanism.

*Leaving a PC
monitor on all night
wastes enough energy
to microwave
6 dinners.*





Bringing Together the Marketpla

The Northeast economic recovery appears to be gaining strength as businesses across several sectors report rising demand, increasing sales, and even some hiring, according to a Federal Reserve survey released in April 2010. But tough economic conditions still exist, and staying competitive in the market has never been so important for retailers, suppliers, and building trades in the Northeast. For program administrators, finding new ways to leverage efforts and stretch budgets remains a high priority.



As a result of the American Recovery and Reinvestment Act (ARRA) in 2009 \$2.3 billion in federal funding was added to state budgets for efficiency initiatives. Recognizing the need for collaboration to minimize market confusion and leverage resources, NEEP worked to bring together market players from all sides of the industry and every corner of the region to leverage learning, promote upstream technologies, and explore ways to keep the economy strong through efficiency programs, products, and incentives.

Connecting Retailers and Program Administrators

Realizing that future savings in the retail products market will be dependent on large upstream retailers, NEEP connected efficiency program administrators with several important upstream actors including Lowe's, Sears, Best Buy and the community-based Project Porchlight program. Lowe's attended NEEP's June Lighting Initiative working group meeting, where a new efficiency program web portal was presented. The resource will greatly improve communication between our sponsors and retailers. NEEP discussed partnering opportunities for Sears with efficiency programs, and they are eager to develop tools to increase the ease and accessibility of appliance promotions for customers. NEEP also attended a national summit hosted by Best Buy in October where they presented opportunities for program cooperation. These activities promoted by NEEP's Trade Ally Exchange will likely be the source of new upstream cooperative promotional activities necessary to generate savings going forward.

Massachusetts meets approximately 10% of its electricity needs through energy efficiency.





Helping Our Business Leaders Shine

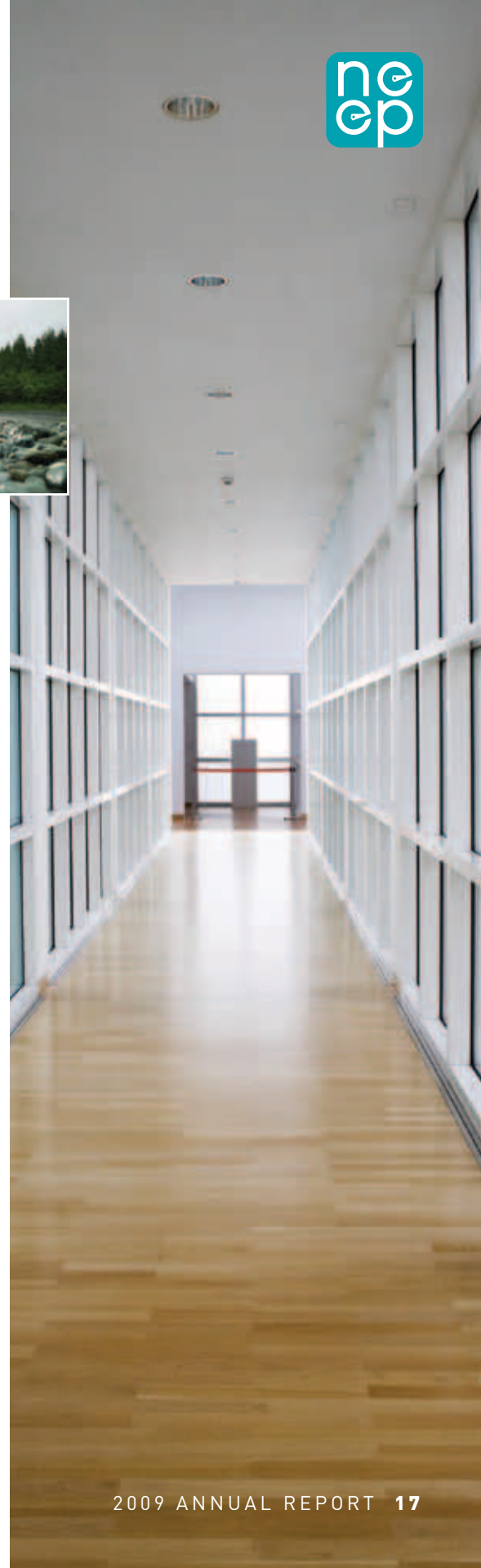
As part of the Business Leaders for Energy Efficiency Program, NEEP worked with our sponsors and business leaders in the region to bring recognition to the impressive accomplishments the business community has made in making energy efficiency a core business practice for success. Highlighting how rate payer-funded efficiency programs are helping businesses and institutions make efficiency happen, the 2009 program profiled nine leaders across the region. From the Wegman's supermarket chain to Stratton Mountain Resort, businesses across the Northeast are working with utility program administrators to improve their bottom line while achieving significant energy savings.

A Meeting of Minds

NEEP held its first Evaluation Measurement & Verification Forum Annual Public Meeting in September 2009 to review the Forum's progress in developing common approaches to measure, verify and report the impacts of energy efficiency initiatives across the region. Over 90 people attended the meeting including energy efficiency program administrators, policymakers, regulators, system planners, and efficiency consultants. The day-long meeting featured several panel discussions and a presentation about topics that provided attendees with a wide range of emerging perspectives on critical EM&V issues facing the region.

Reaching the Summit

NEEP hosted its fourth annual Northeast Energy Efficiency Summit on May 27 and 28, 2009 in Albany, NY. Reaching an audience of 300, Summit participants brought efficiency to the forefront, discussing its successes and strategizing its expansion. Policymakers, business leaders, efficiency advocates and efficiency program administrators gathered to focus on the Summit's theme, *Maximizing the Efficiency Solution*. The day-long event featured an in-depth conference, efficiency exhibits and a luncheon to honor regional business committed to advancing efficiency.





Reducing Energy Use in Buildings

Many buildings in the Northeast are aging and on track to be renovated or rebuilt within the next 30 years—this provides an enormous opportunity to increase efficiency in new construction and existing building stock. For this reason in 2009 NEEP focused on providing best practices and education for standardization and improved use of energy in both new and existing homes, businesses and commercial buildings.

A Giant Leap Forward: Building Codes

As states and stakeholders focused attention on building energy codes, NEEP was prepared to provide guidance and technical support to both update codes and set new standards for “beyond code” building energy savings. NEEP released a milestone public policy white paper, *Model Progressive Building Energy Codes Policy for Northeast States*, and worked throughout the year to facilitate adoption of its components. A key element of the policy is the “Informative Appendix” as part of state code, which allows states and communities to set a “stretch” energy code with savings that go far beyond the baseline code. In April, Massachusetts became the first state in the country to adopt the stretch energy code as a local option, and more than 40 communities in the Bay State have since adopted it. In 2009, several states adopted other provisions of NEEP’s Model Codes Policy, including automatic updates to state building energy code; third-party inspection to enhance compliance; and building energy performance rating and disclosure policies.



Model building energy codes can reduce energy consumption in new buildings and major renovations by 7% throughout the Northeast.



Encouraging Efficiency in Commercial Properties

Over a dozen program administrators in the region provided incentives to install high-efficiency equipment including T8 lighting and HVAC equipment. Peer exchange set in motion by NEEP allowed program managers to learn from others' successes and achieve the most cost-effective and productive methods, to the benefit of both consumers and upstream partners.

Creating a Roadmap for Building Energy Performance

In November 2009, NEEP developed and published a comprehensive report on building energy rating, labeling and performance requirements. The report, *Valuing Building Energy Efficiency through Disclosure and Upgrade Policies: A Roadmap for the Northeast*, recommends that Northeast states adopt mandatory labeling and disclosure policies and use energy efficiency programs to build market capacities to provide rating and labeling on a broad scale for the residential and commercial sectors. NEEP engaged a high-level advisory committee of representatives from state and federal government, clean energy advocates, and the building/home energy rating community to provide real-time feedback to advance our work. The report outlines the benefits of critical building energy tools and offers a timeline for policy adoption and implementation. By year end, U.S. DOE took note of NEEP's report and began a federal initiative informed by the report's recommendations to establish a federal system for building energy rating along with a training and certification program for raters. Maine, Massachusetts and New York also expressed interest in similar policies.



Educating the Industry

With the ongoing adoption of new technologies and regulations, NEEP focused on participating in and facilitating training and certification in the region to help the workforce stay up to speed on the latest regulations and procedures needed to remain competitive and effective in advancing energy efficiency in our communities.

Training and Educating Energy Code Administrators

NEEP worked with code administrators and officials throughout the Northeast to support enhanced building energy code training for both regulators and the regulated communities. We delivered multiple training sessions to audiences across the region, reaching more than 1,000 code officials, builders, architects, engineers, and others.

Building a Clean Energy Workforce

In March 2009, NEEP presented at a regional forum hosted by NESCAUM and attended by over 100 stakeholders to address key issues to build workforce capacities to deliver energy efficiency solutions on a broad scale. In May, NEEP hosted a career development workshop for students and mid-career professionals, giving them exposure to regional experts and career development opportunities. Informed by these events, NEEP partnered with the New England Clean Energy Council to develop a project plan and secured initial funding from the Massachusetts Clean Energy Center to establish a Northeast Regional Clean Energy Workforce Training and Resource Search Tool.

Advocating For and Supporting Major New State Commitments to Energy Efficiency

Throughout the year, NEEP helped states realize new commitments to energy efficiency as a first order resource to meet state and regional clean energy policy goals. Whether providing formal comments as part of public proceedings, consulting with stakeholders, collaborating with utility partners or other administrators, or developing comprehensive written reports or analysis, NEEP supported states throughout the region as historic new energy savings plans and goals were initiated. In New Hampshire, for example, NEEP became a central player in efforts to promote stronger energy efficiency policies in the state, not only providing comments on the proposed energy efficiency programs and participating in proceedings of the Energy Efficiency and Sustainable Energy Board, but providing counsel to the Board and several of its key members, as well as state lawmakers, as the state set a new course for the capture of more energy efficiency. In New Jersey, NEEP prepared *An Energy Efficiency Strategy for New Jersey: Achieving the 2020 Master Plan Goals* for the Governor and Board of Public Utilities. This comprehensive program and policy report concluded that the state could achieve state Energy Master Plan goals to offset energy and load growth through 2020 by capturing all cost-effective energy efficiency. In New York, NEEP staff provided formal comments on the State Energy Plan, and counseled the Governor's energy representatives on implementation of the plan to help the state meet its aggressive goal of meeting 45 percent of state energy needs from renewable energy and energy efficiency by 2015.



Guiding States on Using Massive New Federal Energy Funding

While the landmark American Recovery and Reinvestment Act (ARRA) provided \$2.3 billion in federal funding for energy efficiency to states and local entities throughout the Northeast, many struggled with how to most effectively use these dollars to realize major energy savings and create sustainable, long-term economic impacts. NEEP was prepared to provide such guidance by reaching out directly to recipients with a variety of instruments. Whether providing formal written comments to states on using State Energy Program funding; hosting a webinar for state energy offices on best practices for using State Energy Efficiency Appliance Rebate Program grants; or authoring and distributing a mini white paper on guidance for utilizing Energy Efficiency and Conservation Block Grant program funds most effectively, NEEP guided states in their use of federal stimulus funds to unlock energy efficiency's true potential.

Providing Valuable Guidance for High Performance School Construction and Maintenance

NEEP developed and provided to states an updated version of the Northeast Collaborative for High Performance Schools (NE-CHPS) protocols for new school construction, as well as a new *NE-CHPS Operations and Maintenance Guide* for existing schools. Both technical guides are provided to states and local school districts at no charge to give them user-friendly and informative tools for building and maintaining healthy, energy efficient schools. NEEP also facilitated three workshops in the region to train school facilities' stakeholders on implementing the NE-CHPS protocol, as well as key topics in high performance building construction and maintenance. Workshops were held in Rhode Island, New Hampshire and Vermont, and over 130 school facilities and business and design professionals from the Northeast participated.

Common Regional Definitions for Energy Efficiency as a Resource

The EM&V Forum's *Glossary of Terms & Acronyms* was developed and adopted in 2009 as one of the Forum's first products. The glossary is intended to foster common understanding and language, while encouraging a better understanding of the complex terminology emerging in the energy efficiency movement, helping regulators, policymakers and other non-technical readers participate in the rapidly changing landscape of efficiency.





Unlocking Energy Efficiency's True Potential

One of the most critical components to achieving energy efficiency is to help unlock its real value. This happens in two primary ways. First, ongoing research to characterize the constantly evolving energy efficiency resource and its impacts and value must be undertaken as a component of state and regional energy planning. Second, policymakers must provide sustained funding to implement and evaluate policies and programs that overcome market barriers to realizing the true potential of the efficiency resource. In 2009, NEEP worked to launch a groundbreaking research effort, harness and share information across the region, and track state activities to keep our collective efforts and funding fully focused on uncovering the true potential of energy efficiency.



Building a Common Currency for Efficiency

In the region's first multi-state effort to develop common protocols to estimate, verify, evaluate and report the impacts of energy efficiency and other demand-side resources, NEEP worked with 11 jurisdictions to finalize funding agreements for selected joint regional projects as well as for the first year of the Evaluation, Measurement and Verification Forum operations. The groundbreaking multi-year effort will focus on protocol development, research and evaluation, and education and information access that will ultimately help shape the way we understand and use efficiency.

Researching End-Use Data

NEEP's End-Use Loadshape Data Inventory Project was completed in the fall of 2009, and the EM&V Forum moved on to Phase 2 of the project to develop and collect lighting and HVAC loadshape data to meet regional needs. The project identified and assessed the existence and availability of loadshape data for use in meeting energy efficiency, wholesale capacity market and air regulatory program needs, and recommended strategies to fill gaps in loadshape data needs.

Spreading the Word

One of the most essential things we can do for the region is to help spread the word and share our insights in our community and with other national players in the efficiency movement. Over the course of the year NEEP staff presented at and participated in numerous conferences, workshops and roundtable discussions that addressed the many components of promoting energy efficiency as a first priority energy resource. Additionally, NEEP rolled out its newly redesigned website in late 2009—visitors to the site will find that it provides access to many valuable resources including the *Energy Efficiency Policy Tracker*, white papers and links to the work of NEEP's allies and partners.

The average number of CFLs per household in Connecticut, Maine and Vermont is 5—higher than the national average of 3.37 bulbs per household.

Financial Statement

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

CHANGES IN UNRESTRICTED NET ASSETS	2009	2008
Operating revenues		
Sponsorships	\$1,103,446	\$881,002
EM&V Forum	944,334	128,031
Contracts and grants	750,529	1,161,292
Summit	215,921	284,549
Miscellaneous	20,940	19,007
Net assets released from restrictions	554,989	145,371
Total operating revenues	3,590,159	2,619,252
Operating expenses *		
Regional Initiatives	769,525	728,116
Public Policy	1,195,905	854,262
EM&V Forum	1,019,873	259,468
Special Project Activities	77,853	332,126
Summit	241,521	270,839
Development and Fundraising	138,453	125,114
Total operating expenses	3,443,130	2,569,925
Changes in unrestricted net assets	147,029	49,327
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Foundation grants	438,083	582,100
Net assets released from restrictions	(554,989)	(145,371)
Changes in temporarily restricted net assets	(116,906)	436,729
Changes in net assets	30,123	486,056
NET ASSETS, beginning of year	1,246,002	759,946
NET ASSETS, end of year	\$1,276,125	\$1,246,002

* 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.

You Make it Work

As a non-profit organization, NEEP deeply values the trust that has been placed in us. Sponsors trust us to carry out joint projects; governments and private entities trust our knowledge and ability to create solutions that serve the region, and donors trust us to use their funds to advance energy efficiency. To safeguard this critical trust, NEEP is committed to best practices in governance, accountability and transparency. This commitment exists at all levels of the organization.

We'd like to thank our Board and 2009 funders and partners for their trust and support and for their participation in helping the region accelerate energy efficiency in our homes, businesses and communities.

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Vice President, Customer Service
NSTAR Electric and Gas

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Manager of Conservation and Load Management
Northeast Utilities

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2009 FUNDING

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Connecticut Light & Power
Connecticut Municipal Electric
Energy Cooperative
Efficiency Maine
Efficiency Vermont
Long Island Power Authority
National Grid

- Massachusetts
- New Hampshire
- New York (Gas)
- Rhode Island

New Hampshire Electric Co-op
New Jersey Board of Public Utilities
New York State Energy Research
and Development Authority
NSTAR Gas & Electric
Public Service of New Hampshire
United Illuminating Company
Unitil
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Company
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FUNDERS

Allegheny Power
Baltimore Gas & Electric
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Delaware Energy Office
District Department of the
Environment
The Energy Foundation
The John Merck Fund
Maine Public Utilities Commission
Maryland Energy Administration
Massachusetts Department
of Energy Resources
The Merck Family Fund
New York Power Authority
The Overbrook Foundation
Pepco Holdings, Inc.
Rochester Gas & Electric
Southern Maryland Electric
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U.S. Department of Energy
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Agency
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Public Service

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Conservation Services Group
The Edison Foundation—
Institute for Electric Efficiency
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North American Insulation
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OTHER (SSL Qualified Products)

BC Hydro
Electric Utility Marketing Managers
of Texas
Midwest Energy Efficiency Alliance
Northwest Energy Efficiency Alliance
Pacific Gas and Electric Company
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p.22; p.23—insets 1-4; p.27

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p.4—Coakley; p.11—Collaborate

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p.4—McLean-Conner

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p.4-5—background

Map Resources

p.6

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