



**PROGRESS
THROUGH
PARTNERSHIP**



2010 ANNUAL REPORT



It's hard to believe we have already completed the first year of our new business plan. If we distilled all of our 2010 collaboration into a single word, it would be progress.

We hope that you'll see progress through partnership on every page of our 2010 Annual Report. Together, we accomplished tremendous regional results in 2010 only possible through strong partnerships and commitments. We've highlighted a few of them here:

- Within the critical area of emerging technologies, we identified and reviewed dozens of commercially viable emerging technologies through a newly developed input and collaboration process. Cold climate heat pump water heaters and ductless heat pumps are two that we feature in this year's report as exciting examples.
- In the commercial sector, we completed a major renovation of our initiatives, embedding increased savings measurement discipline directly into our design. This report features our strong progress in commercial real estate and healthcare markets.
- On the industrial front, our Continuous Energy Improvement work began to take root in industries far beyond food processing.
- In the residential sector, we mobilized regional players to launch an efficient consumer electronics campaign. Meanwhile, our efforts continued to increase market adoption of ductless heat pumps and Northwest ENERGY STAR® Homes.
- Within codes and standards, NEEA supported implementation of new energy codes in all four states and higher national efficiency standards.
- Finally, through NEEA's new Partner Services area, we facilitated opportunities for regional information sharing and collaboration, including the highly successful EFFICIENCY CONNECTIONS NORTHWEST conference.

In closing, a hearty "Thanks!" to our talented staff and to each of you for your continued support. By sharing our expertise and passion for energy efficiency, we continue to accelerate adoption of energy-efficient products, services and practices in the Northwest. We look forward to all that we can accomplish for the region through the strength of our continued collaboration.

Claire Fulenwider

Claire Fulenwider, Executive Director
Northwest Energy Efficiency Alliance

Roger Woodworth

Roger Woodworth, NEEA Board Chair
Chief Strategy Officer, Avista Utilities

NEEA works to mobilize the Northwest to become increasingly energy efficient for a sustainable future.

At a time when energy efficiency is more important than ever, Northwest Energy Efficiency Alliance continues to make inroads towards mobilizing the Northwest to maximize energy efficiency. NEEA is helping the Northwest create a more sustainable future. How?

FILLING THE ENERGY EFFICIENCY PIPELINE

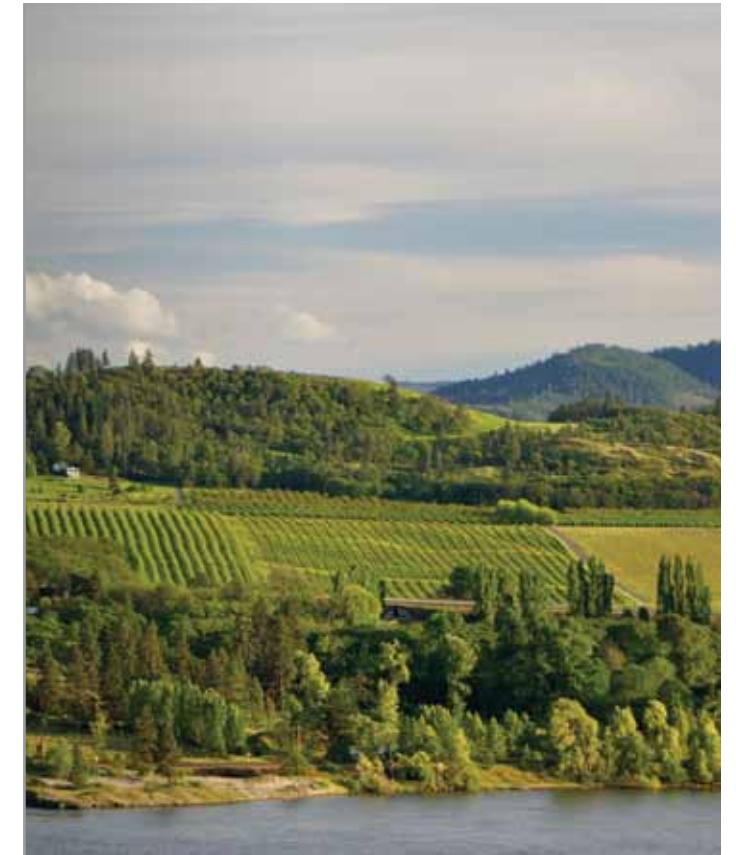
NEEA's top focus, as prioritized by stakeholders, is to bring new energy-efficient technologies and practices to market in order to increase the long-term potential of energy efficiency. In 2010, NEEA formed its Emerging Technology business unit to ensure the region maintains a robust pipeline of new efficiency opportunities. Through strong market relationships, NEEA partners with manufacturers, national laboratories, research institutes, venture capital groups and other market actors to speed regional access to energy-efficient technologies.

ACCELERATING MARKET ADOPTION OF ENERGY-EFFICIENT PRODUCTS, SERVICES AND PRACTICES

NEEA leverages the power of millions of energy consumers to influence key market actors, remove barriers and build market capacity for energy efficiency. With support from its funders, NEEA designs and executes strategic market interventions to create lasting change and deliver long-term savings to the region.

CAPITALIZING ON REGIONAL ADVANTAGE

NEEA is the only alliance of public and private electric utilities that represents the entire four-state region with national and global market partners. NEEA aggregates market resources to give the region greater strength to influence market actors. With an impartial, independent perspective, NEEA presents a credible face to the market. In 2010, investments through NEEA allowed the region to maximize the impact of shared resources and expand its collective knowledge base.



Since NEEA's inception in 1997, together the region has achieved 707 aMW in total savings—enough electricity to power 568,400 homes each year.¹



NEEA accomplished major objectives of its 2010–2014 Business Plan.

INCREASED REGIONAL MARKET AVAILABILITY OF EMERGING TECHNOLOGIES BY BUILDING A PIPELINE OF ENERGY-EFFICIENT TECHNOLOGIES AND PRACTICES

- Developed a project portfolio with an estimated 20-year savings potential of well over 300 aMW, NEEA's goal
- Developed the region's first Northern Climate heat pump water heater, a technology with 20-year savings potential of 300 aMW²
- Successfully tested ductless heat pumps in cold climates with NorthWestern Energy, validating manufacturer performance claims and applicability throughout the region

ACCELERATED MARKET ADOPTION OF ENERGY-EFFICIENT PRODUCTS, SERVICES AND PRACTICES

- Built market availability and homebuyer awareness of Northwest ENERGY STAR® Homes, growing regional market share to 15 percent, with all qualified homes exceeding state energy codes by 15 percent
- Increased market availability and sales of most-efficient televisions by major retailers, delivering a total regional savings of 13.7 aMW
- Launched energy efficiency competitions in Portland and Seattle to drive energy-efficient building operations practices within the commercial office market. Over 200 buildings participated, representing 44 million square feet
- Supported Oregon Association of Nurseries (OAN) in adopting long-term energy reduction goal. OAN is the second industry group to leverage NEEA's Continuous Energy Improvement system

LONG-TERM VALUE

Through NEEA, the region has saved more electricity since 1997 than produced by two 300 aMW power plants. See savings details, pages 16-17.

REGIONAL EQUITY

NEEA delivered savings of 20 aMW across all four states, exceeding 2010 Business Plan targets.

INCREASED REGIONAL COORDINATION AND COLLABORATION TO HELP FUNDERS MEET THEIR INDIVIDUAL GOALS

- Facilitated EFFICIENCY CONNECTIONS NORTHWEST inaugural energy efficiency conference for 300+ professionals
- Developed region's first online collaboration tool, *Conduit*, with Bonneville Power Administration and regional utilities to facilitate information sharing among energy efficiency professionals. Visit www.conduitNW.org

BUILT REGIONAL MARKET KNOWLEDGE AND CAPABILITY THROUGH EDUCATION AND TRAINING

- Provided 4,000 design, engineering and construction professionals with technical support and training on new energy codes to increase compliance in all four states

FACILITATED REGIONAL ENERGY EFFICIENCY PLANNING AND IMPLEMENTATION

- Convened Northwest Research Group to launch region-wide Residential Building Stock Assessment, a critical study for regional resource planning
- Facilitated Regional Marketing Coordinating Council to kick-off development of a common messaging framework to promote energy efficiency

DELIVERED VALUE ACROSS THE REGION AND ENSURED REGIONAL EQUITY

- Gained 2 aMW savings since 2006 by implementing NEEA's Continuous Energy Improvement system at eight rural food processing facilities³

"I applaud NEEA's efforts to maximize energy efficiency in our region. Advancing energy efficiency is critical for the growth and future success of Oregon's economy—and supporting NEEA's mission will help us do it."

**JOHN KITZHABER
GOVERNOR OF OREGON**

Initiative management—coupled with increased stakeholder involvement—brings new power and precision to NEEA’s work to maximize regional energy efficiency.

NEEA’S APPROACH TO MARKET TRANSFORMATION



- Identify Market Barriers.** NEEA scans the horizon for emerging technologies and identifies barriers to market adoption of energy-efficient products, services and practices. NEEA evaluates high-potential technologies and examines impediments that may include product availability, quality or price; lack of financing; insufficient technical capability or tools; and low awareness of business benefits.
- Assess Opportunities and Leverage Points.** NEEA identifies potential market partners that can influence supply and demand of market-ready, energy-efficient products, services or practices. NEEA also explores opportunities to lock in savings through higher energy codes and standards.
- Develop and Implement Market Interventions.** NEEA develops comprehensive strategies to overcome identified market barriers through opportunities and leverage points. NEEA collaborates with partners in utilities, industry, research and non-profits to implement initiatives that accelerate market adoption.
- Evaluate and Adapt Initiatives.** Working with third-party evaluators, NEEA reviews current and previously funded initiatives to assess market progress, validate savings, and identify and respond to improvement opportunities.

COLLABORATION AT EVERY STAGE

Collaboration and strong partnerships are at the heart of NEEA’s ability to maximize energy efficiency in the Northwest. NEEA works in concert with utility, regulatory, market and public interest partners in Idaho, Montana, Oregon and Washington. With a focus on working upstream with market actors and across service territories, NEEA designs initiatives to complement local and regional energy efficiency efforts.

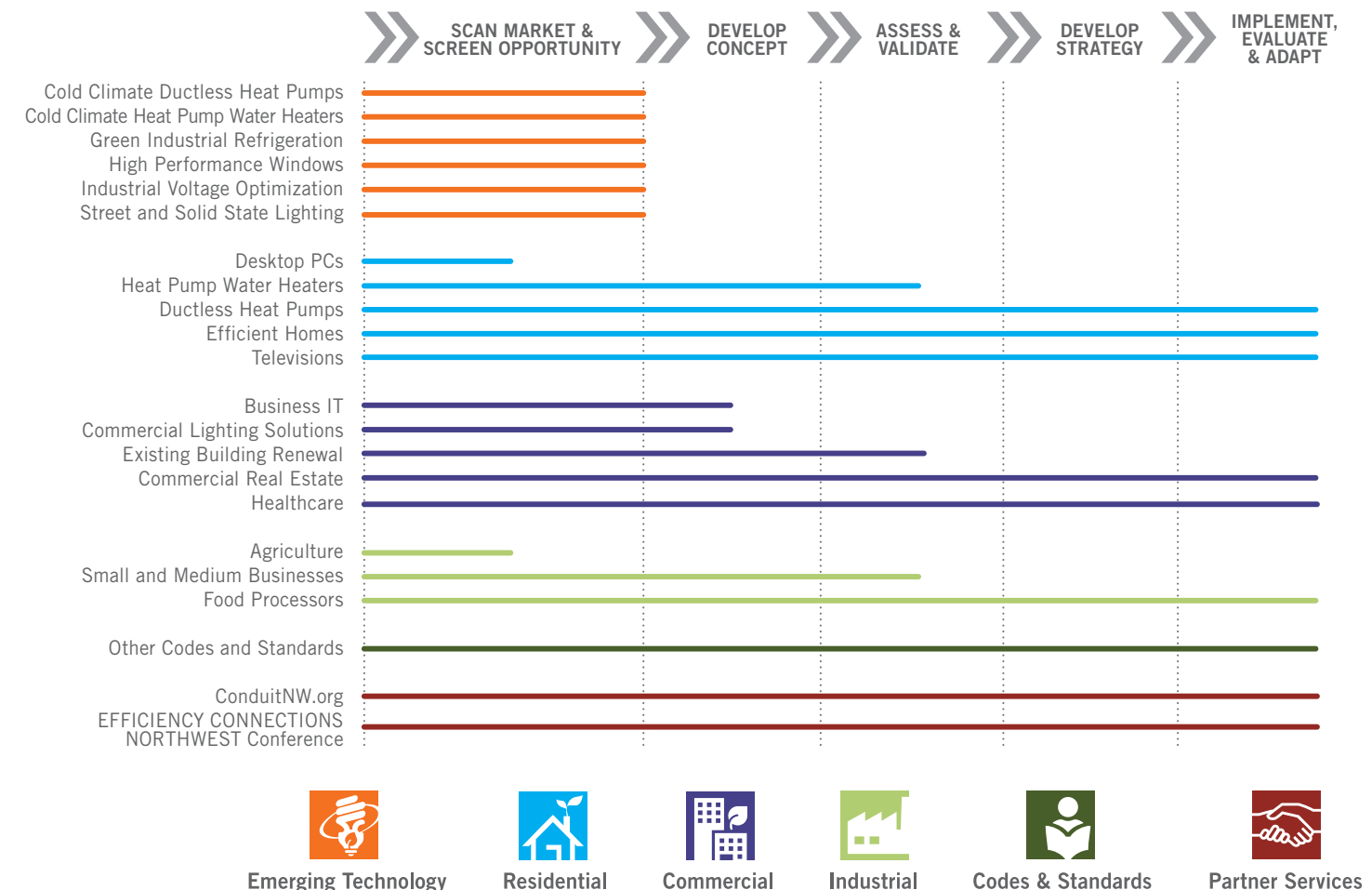
Discipline delivers stronger initiative outcomes.

NEEA redoubled efforts in 2010 to assess its activities for the highest value to the region, resulting in a more equitable and effective portfolio that reflects the region’s collective priorities. New systems and increased process discipline delivered better initiative design. Today, each new initiative goes through a rigorous Initiative Lifecycle Management process, with a logic model as the foundation for initiative strategy and evaluation. This open process systematically moves energy-savings opportunities from early discovery and development through implementation and market adoption, via key milestones, with guidance from NEEA’s new Regional Portfolio Advisory Committee.

BUILDING A REGIONAL PORTFOLIO

NEEA formed the Regional Portfolio Advisory Committee in 2010. The committee, comprised of utility conservation managers from across the region, works with NEEA on initiative selection, evaluating potential initiatives based on NEEA business plan goals, regional priorities and other criteria.

LIFECYCLE STATUS OF INITIATIVES IN 2010





The region's success in meeting future energy efficiency goals depends on developing a continuous pipeline of commercially available energy-efficient products, services and practices.

To address this need, NEEA formed the Emerging Technology business unit in 2010 and began laying the foundation for a robust and diverse portfolio of projects in both rural and urban areas. The long-term portfolio is expected to deliver well over 300 aMW of energy savings by 2030—the amount of energy needed to power more than 240,000 Northwest homes each year.⁴ To optimize coordination and collaboration with Bonneville Power Administration and other regional stakeholders, NEEA formed a Regional Emerging Technology Advisory Council, comprised of diverse representatives from utilities, regional organizations, universities and research institutes.

NEEA HELPS DELIVER NATION'S FIRST NORTHERN CLIMATE HEAT PUMP WATER HEATER

According to the 6th Northwest Power Plan, heat pump water heaters alone have the potential to achieve 500 aMW of energy savings for the region by 2029. Although they have been identified as one of the region's most promising technologies by the Regional Technical Forum, models available in the U.S. are designed for warmer climates and lose efficiency below 50 degrees.

NEEA is stewarding Northwest resources and leveraging the region's influence in the marketplace to speed development of heat pump water heaters that perform in all Northwest climates. With input and support from U.S. and Canadian partners, NEEA and regional utilities created a Northern Climate Specification in 2009 to address cold temperature performance issues and set the stage for outreach to manufacturers.

In 2010, NEEA surveyed available products in Asia and Europe while making the business case to domestic manufacturers to build next-generation heat pump water heaters that meet the new specification. By the end of 2010, AirGenerate, a small U.S. manufacturer, had modified its product to comply with NEEA's feature recommendations and delivered units for testing in 2011. Work at the Cascade Engineering Service's Redmond, Washington, laboratory has demonstrated that the new unit can perform effectively in any Northwest climate.

"NEEA's knowledge about the technology and their understanding of the market was critical to us," said Rick Pal, president of AirGenerate. "Their feedback allowed us to move quickly to a second-generation product, all the way from design to how we'll market the product."

NEEA and its partner utilities continue to work with manufacturers to accelerate the development of products that meet this specification in anticipation of a large-scale initiative to advance adoption of heat pump water heaters in the Northwest.

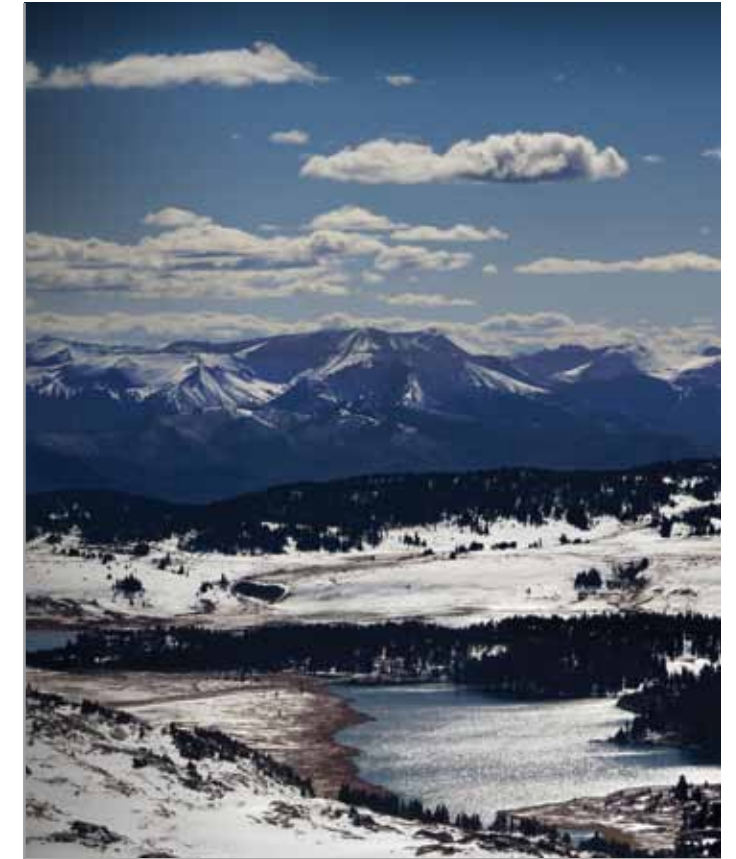
NORTHWESTERN ENERGY AND NEEA TEST COLD CLIMATE DUCTLESS HEAT PUMPS

NEEA has partnered with regional utilities, Bonneville Power Administration and Energy Trust of Oregon since 2008 to accelerate the market adoption of ductless heat pumps, which have the potential to deliver 200 aMW in annual energy savings for the region.⁵ This successful program has accelerated market adoption of ductless heat pumps by increasing consumer demand, working with manufacturers to bring technical training to the region and establishing a preferred contractor network. According to one manufacturer, its regional sales of residential ductless heat pumps climbed 25 percent by the end of 2010.⁶

Last year, NEEA and NorthWestern Energy field tested new versions of ductless heat pumps that manufacturers claimed could operate in temperatures well below zero. Monitoring the units for energy use and performance in six homes with electric baseboard heating confirmed manufacturer claims, with units delivering heat in temperatures as low as minus 20 F.

"One of the exciting things about this partnership is that NorthWestern Energy had some different market conditions to take into consideration," said Deb Young, a program manager with NorthWestern Energy. "NEEA led us into a process where we can evaluate whether this technology can deliver in our climate. We've got some really good data we didn't have a year ago."

The tests demonstrated that the new generation of ductless heat pumps would perform well anywhere in the region—promising comfort and savings for Northwest residents as well as energy demand reductions for the region.



"Supporting NEEA's renewed emerging technology focus is both a strategic and cost-effective investment for Puget Sound Energy. Through NEEA's regional advantage, we are able to keep the pipeline full with new technologies that will maximize energy savings for our customers for years to come."

**CAL SHIRLEY
VICE PRESIDENT
ENERGY EFFICIENCY SERVICES
PUGET SOUND ENERGY**

Leveraging the market power of the region to accelerate the innovation and adoption of energy-efficient products, services and practices is at the heart of NEEA's work to create measurable, lasting change.

By dramatically increasing both the long-term potential for energy efficiency and immediate results, NEEA helps the Northwest achieve a more sustainable future. The following success stories are just a sample of our 2010 accomplishments. To read more, visit the *Our Work* section at neea.org.

SPEEDING MARKET AVAILABILITY AND SALES OF MOST-EFFICIENT TELEVISIONS

Bright orange *Most Efficient* promotional materials appeared next to super-efficient ENERGY STAR® televisions sold by Northwest retailers starting in October 2010. These materials are part of a larger regional initiative designed to encourage retailers to stock the most efficient ENERGY STAR televisions and promote them to consumers. NEEA and its utility partners provided retailers with upstream incentives to participate. NEEA also conducted region-wide market research to develop effective consumer messaging for the *Energy Forward* campaign, which NEEA launched in 2010.

National retailers such as Costco, Best Buy and Sears embraced the initiative along with independent retailers across the region, and many deployed *Most Efficient* labels from NEEA's marketing toolkit. "The *Energy Forward* message tells customers that the newer, most technologically advanced products can also save hundreds of dollars in energy costs over the life of the television," said Karen Austin, president of consumer electronics for Sears Holdings.

By the end of 2010, the campaign was on track to meet its market share goal that 28 percent of residential televisions sold by participating retailers meet or exceed ENERGY STAR Version 5. Overall, NEEA's consumer electronics initiative delivered an impressive total regional savings of 13.7 aMW in 2010.

To ensure consumers continue to have the most energy-efficient television choices available, NEEA worked with the U.S. Environmental Protection Agency and national manufacturers to successfully raise the 2012 ENERGY STAR standard by 65 percent.⁷

HELPING COMMERCIAL PROPERTY OWNERS AND MANAGERS ACHIEVE LASTING SAVINGS

NEEA's BetterBricks commercial real estate initiative helps make energy efficiency tangible to building owners and property managers and provides strategies to achieve measurable, long-lasting savings. Working with professional associations, utilities and other partners, NEEA offers coaching, measurement tools to benchmark energy use, scoping studies, and training to develop and implement energy management plans that emphasize low-cost operations and maintenance changes. From 2008 to 2010, participating buildings around the region achieved combined savings of 3.8 aMW.

To engage more properties in improving energy performance, NEEA works with the Building Owners and Managers Association in Seattle and Portland, plus local utilities, to sponsor energy benchmarking competitions that challenge owners and managers to reduce energy use over time. In 2010, 71 buildings competed in Seattle's *Kilowatt Crackdown*, achieving more than 24 million kWh in projected annual savings, and 85 buildings were enrolled in Portland's *Carbon4Square* competition. Similar competitions are in the works in Idaho.

"The potential energy savings in commercial buildings is tremendous," said Glenn Atwood, conservation resources director for Seattle City Light. "*Kilowatt Crackdown* is helping the market realize what is possible."

PLANTING SEEDS TO REDUCE ENERGY INTENSITY WITH OREGON'S NURSERY INDUSTRY

Member businesses of the Oregon Association of Nurseries (OAN) have joined NEEA's *25inTENSity Challenge*, setting their sights on reducing member-wide energy use by 25 percent in 10 years. The association will use NEEA's Continuous Energy Improvement system to help members embed strategic energy management into their operations.

Following a similar commitment by the Northwest Food Processors Association in 2008, OAN began developing an Energy Reduction Roadmap in 2010 with assistance from NEEA, Energy Trust of Oregon and other statewide organizations. "Participating in the *25inTENSity Challenge* is helping our members build out their sustainability programs while saving money and improving their bottom line," said Jeff Stone, OAN executive director.

Oregon's nursery industry generated 2009 revenue of \$740 million as the state's top agricultural segment. NEEA plans to engage other industry groups throughout the Northwest.



"NEEA has done a lot. We wouldn't have the 25 percent, 10-year goal without them."

**WHITNEY RIDEOUT
BUSINESS DEVELOPMENT MANAGER
OREGON ASSOCIATION OF NURSERIES**





With support across Idaho, Montana, Oregon and Washington, NEEA represents Northwest interests on the national stage and facilitates collaboration and knowledge sharing among regional stakeholders.

NEEA TRAINS 4,000 IN FOUR STATES TO ACCELERATE NEW ENERGY CODES IMPLEMENTATION

Raising the bar for building energy codes and product standards continues to be a powerful way to lock in long-term energy savings. Based on NEEA's Business Plan, improved codes and standards have the potential to save over 25 aMW for the region from 2010 to 2014.

NEEA plays a unique role by working collaboratively with utilities and market actors to build market readiness for more stringent codes and standards through voluntary programs. NEEA advocates for code improvements through state and national processes and provides training to increase compliance with new codes once they are adopted.

In the Northwest, 2010 was a banner year for codes progress. Idaho, Montana, Oregon and Washington adopted new residential or commercial codes that will increase energy efficiency by 10 to 20 percent.⁸ NEEA played a key role in these code adoptions with strong support from utilities. To help the states implement the aggressive code changes, NEEA provided training and education in urban and rural communities across the region, working with utility and state partners. More than 4,000 building officials, architects, engineers, builders and subcontractors participated—a record-breaking participation level for the region. NEEA also worked to accelerate adoption of more stringent appliance and equipment standards. (See the story on large motor standards on page 14.)



“NEEA has been an invaluable partner in providing stakeholders with education and outreach on Oregon's 2010 energy code. Its work to ready the market for high-performance construction codes continues to ensure that Oregon remains a national leader in energy policy.”

**ANDREA FOGUE
GREEN BUILDING SERVICES MANAGER
OREGON BUILDING CODES DIVISION**



NEEA AND PARTNERS FACILITATE INAUGURAL EFFICIENCY CONFERENCE

More than 300 Northwest utility professionals gathered in December 2010 for the inaugural EFFICIENCY CONNECTIONS NORTHWEST conference in Seattle. The first-of-its-kind event, facilitated by NEEA and utility partners, brought together participants from many disciplines, creating a dynamic new forum to access the collective knowledge of the energy efficiency community and learn from regional innovators and experts.

“The conference was a success because it brought together investor-owned utilities, public utilities and other energy efficiency organizations to cross-pollinate their best practices,” said program committee co-chair Steve Bicker, conservation manager of Tacoma Power. “That value proposition is unique and practical. And I have little doubt the 2011 event will be even better.”

NEEA coordinated the event under the leadership of an 11-member program committee representing seven utilities, Bonneville Power Administration and Energy Trust of Oregon.

NORTHWEST RESEARCH GROUP LAUNCHES STUDY TO GUIDE FUTURE RESIDENTIAL STRATEGIES

NEEA convenes and facilitates the Northwest Research Group (NWRG), which provides guidance for regional energy efficiency research and serves as a forum to discuss evaluation findings and best practices. Among NWRG's topics is the Residential Building Stock Assessment, a three-year study of more than 1,700 Northwest homes that will help in both local and regional resource planning, informing the 7th Northwest Power Plan and providing the basis for future residential and appliance energy efficiency programs.

NWRG members invested their expertise and time, collaborating to lay the groundwork for the study. “The Residential Building Stock Assessment will answer questions we've had for many years and allow the region to be more strategic about our energy decisions,” said Phil Degens, NWRG member and evaluation manager for Energy Trust of Oregon. “It will give us all quality data to work with and a consistent foundation of information on which to base current and future policy decisions.”



Collaboration with partners is an integral part of NEEA's work toward meeting the region's energy efficiency goals.

REGIONAL PARTNERSHIP DRIVES HEALTHCARE EFFICIENCY GAINS

In partnership with utilities and industry allies, NEEA's BetterBricks healthcare initiative has helped Northwest hospitals and medical facilities develop Strategic Energy Management plans and adopt energy-efficient business practices that change the way they use energy. Healthcare facilities are the third most energy-intensive building type in the U.S.⁹

In 2010, NEEA partnered with the American Society for Healthcare Engineers and regional state chapters to launch the seven-state *Energy Efficiency Commitment (E2C)* campaign, which brings healthcare facilities together to work toward reducing industry energy consumption by 10 percent region-wide. So far, 89 healthcare facilities are participating from Idaho, Montana, Oregon and Washington.

"NEEA has been a bridge to help us think about Strategic Energy Management, make the case for hiring an energy manager, and connect with other energy efficiency professionals," said Jeff Grinzel of Swedish Medical Center. "NEEA has been very instrumental in helping us with benchmarking, setting long-term goals and getting us to where we want to go."

NEEA PARTNERS WITH STAKEHOLDERS GROUP TO RAISE EFFICIENCY STANDARDS

In 2010, NEEA represented the Northwest for the first time in a nationwide effort to expand the types of industrial motors that must comply with efficiency standards. Partnering with the national Energy Efficiency Advocate Stakeholders Group that works to advance more stringent federal appliance and equipment standards, NEEA participated in key negotiations with manufacturers.

The result of this partnership? Influencing standards that can increase the efficiency of more than 180 classes of large electric motors widely used in industry. According to group member Andrew deLaski, Appliance Standards Awareness Project executive director, "NEEA's experience and expertise in motor efficiency across a range of applications gives the team the credibility and knowledge we need to negotiate new standards with industry."

INDUSTRIAL SUMMIT SUPPORTS MANUFACTURING LEADERS

In January 2010, leaders from Northwest industries, governments, utilities and academia gathered at the Oregon Convention Center for the second annual Northwest Industrial Energy Efficiency Summit. NEEA partnered with Bonneville Power Administration, Energy Trust of Oregon and Washington State University Extension Energy Program as sponsors of the event, which was produced by Northwest Food Processors Association.

Presentations and work sessions focused on strategic actions to increase industrial energy efficiency and on expanding energy efficiency collaboration to sustain a vital Northwest industrial manufacturing sector.

"NEEA funding and resources like Strategic Energy Management and the summit have been critical to helping us gain momentum and be seen as a leader in energy efficiency," said Don Sturtevant, corporate energy manager for J.R. Simplot, which participated in the 2009 and 2010 summits.

TRAINING AND EDUCATION BUILD REGIONAL MARKET KNOWLEDGE

Building regional market knowledge and capability through education and training is one of NEEA's strategic goals, and NEEA supports a wide range of training across sectors. In 2010, NEEA partnered with utility funders, market partners and others to expand Building Operator Certification (BOC) throughout the region, resulting in 177 new certifications in 2010 and estimated regional savings of 1.5 aMW.¹⁰

The BOC program teaches energy conservation strategies, connects participants with energy management resources and facilitates peer-to-peer information sharing on maximizing energy efficiency. "BOC education is worth its weight in gold," said BOC graduate Bruce Gier, facilities supervisor for the Mason-Erhmman Building in Portland, Oregon. "It sets you forward in a motion that allows you to accommodate and understand almost anything in facilities operation."

NEEA PARTNERS

NORTHWEST UTILITIES

PUBLIC UTILITY COMMISSIONS

REGIONAL PLANNERS

INDUSTRY ASSOCIATIONS

MANUFACTURERS AND RETAILERS

NON-PROFIT EFFICIENCY GROUPS

STATE GOVERNMENTS

NATIONAL LABORATORIES

UNIVERSITIES AND INSTITUTES

"NEEA coming in and really grabbing us by the belt buckle and challenging us to do better, especially by establishing formal teams in the organization, has really been the lifeblood of our success."

**DON STURTEVANT
CORPORATE ENERGY MANAGER
J.R. SIMPLOT**

2010-2014 BUSINESS PLAN GOALS

- 200 aMW total regional savings
- 100 aMW net market effects

ENERGY EFFICIENCY COMPARED

Per megawatt hour, energy efficiency costs the Northwest only 30 percent of the price of generating power.¹¹

ENVIRONMENTAL BENEFITS

707 aMW, NEEA's cumulative savings since 1997, is equivalent to:

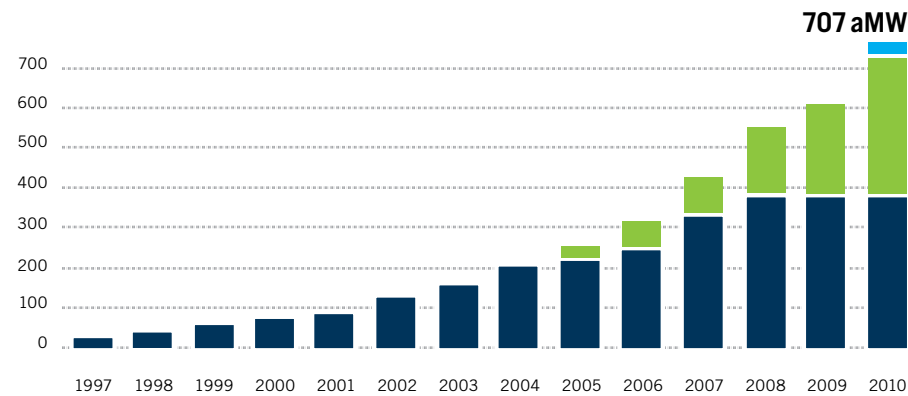
- Annual greenhouse gas emissions from 837,380 passenger cars; or
- CO₂ emissions from consuming 9,931,718 barrels of oil.¹²

Investment through NEEA builds the region's energy efficiency power plant.

Investing in NEEA's work has created a virtual power plant that saved 707 aMW for the region since 1997—the equivalent annual output of two power plants.

Energy efficiency is a cornerstone of a vibrant sustainable Northwest. As the lowest-cost, most secure energy source with the smallest environmental impact, energy efficiency is essential to our long-term future.

CUMULATIVE TOTAL REGIONAL ENERGY SAVINGS 1997–2010



- 2010–2014 Funded Initiatives
- 2005–2009 Funded Initiatives
- Previously Funded Initiatives

TRANSPARENT DUE DILIGENCE PROCESS

To ensure the analytic validity of NEEA cost-effectiveness and aMW savings information, the NEEA Cost-Effectiveness Advisory Committee and third-party evaluators conduct a formal annual review of cost-effectiveness models and assumptions. Committee meetings are open to the public and results of the review are published on neea.org.

NEEA trues up cost-benefit information every year to ensure calculations and reported savings reflect the most recent market data. These savings may appear different from previous reports, as calculations are subject to change as new market data becomes available.

2010 savings exceeded Business Plan targets.

FROM CURRENT INITIATIVES

- 20 aMW total regional savings, 10 aMW net market effects
- Televisions, Ductless Heat Pumps, Building Operations and Food Processors were largest contributors

FROM PREVIOUSLY FUNDED INITIATIVES

- 83 aMW total regional savings, 25 aMW net market effects
- General and Specialty Lighting, Residential Appliances and Business IT (80PLUS®) were largest contributors

COMBINED SAVINGS

- 103 aMW total regional savings, 34 aMW net market effects
- Specialty Lighting, Televisions and Building Operations were largest contributors

COST-EFFECTIVENESS

- Net-levelized cost of 1.7 cents / kWh (all societal costs)¹³

Terms Defined

Average Megawatt (aMW): Amount of electricity produced by the continuous production of one megawatt over one year, or 8,760 megawatt-hours

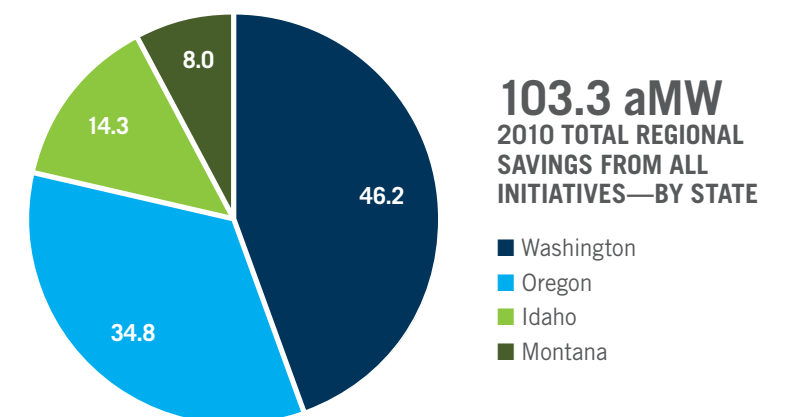
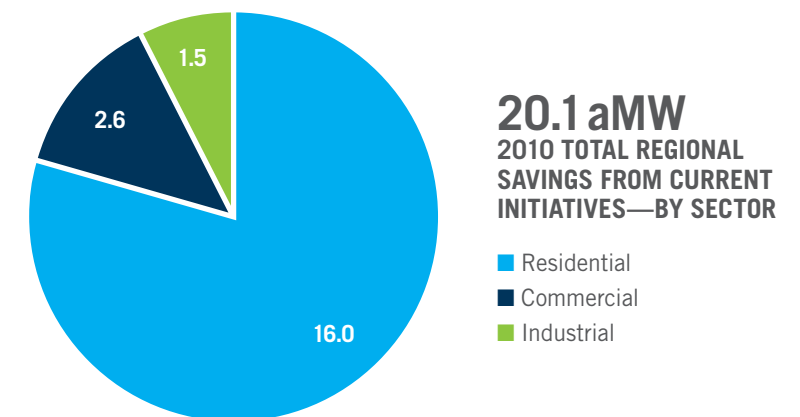
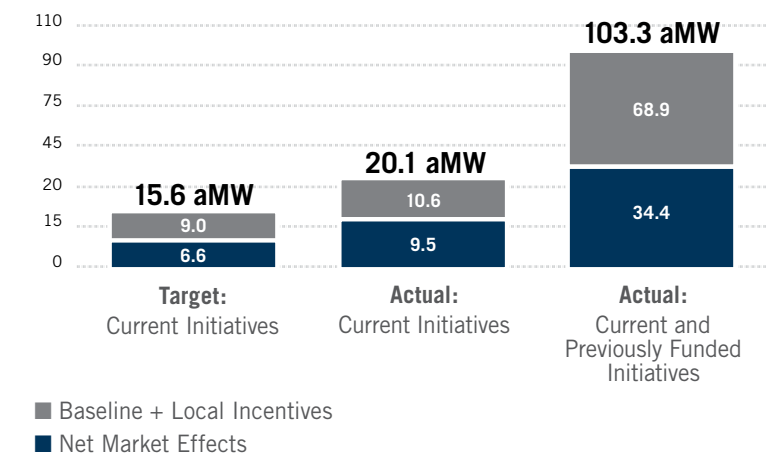
Total Regional Savings: Savings associated with all market changes, comprised of:

Baseline: Savings estimated from naturally occurring market change without utility, NEEA, Bonneville Power Administration (BPA) or Energy Trust of Oregon funded intervention; and

Local Incentives: Savings claimed through local utility, BPA or Energy Trust of Oregon activities; and

Net Market Effects: Savings associated with market change and not counted as Baseline or Local Incentives

2010 TOTAL REGIONAL ENERGY SAVINGS IN aMW



Governance, Funding and Advisory

NEEA's unique model of voluntary, multi-year funding, governance and advisory groups is designed to help ensure transparency, regional equity and long-term results. NEEA's Board and executive committees actively govern NEEA policies and strategic direction. Six advisory committees guide NEEA's overall portfolio of initiatives, advise on initiative design and implementation, and review savings and cost-effectiveness calculations—while facilitating dialogue across the region. NEEA interacts openly with regulatory bodies and engages public interest organizations to maximize energy efficiency for more than 12 million energy consumers in the Northwest.

FUNDING ORGANIZATIONS

- Avista Utilities
- Bonneville Power Administration
- Clark Public Utilities
- Cowlitz County PUD
- Energy Trust of Oregon
- Eugene Water & Electric Board
- Idaho Power Company
- NorthWestern Energy
- Pacific Power
- Puget Sound Energy
- Seattle City Light
- Snohomish County PUD
- Tacoma Power

ADVISORY COMMITTEES

- Cost Effectiveness
- Emerging Technology
- Regional Portfolio
- Commercial
- Industrial
- Residential

BOARD OF DIRECTORS

- Chair**
Roger Woodworth, Chief Strategy Officer
Avista Utilities
- Vice Chair**
Mergie Harris, Executive Director
Energy Trust of Oregon
- Treasurer**
Warren Kline, VP Customer Service and Regional Operations
Idaho Power Company
- Secretary**
Anita Decker, Chief Operating Officer
Bonneville Power Administration
- Ted Coates, Superintendent
Tacoma Power
- Bill Drummond, General Manager
Western Montana Electric G&T Cooperative
- Melinda Eden, Northwest Power and Conservation Council¹⁴
Oregon Governor Representative
- Pat Egan, Vice President Customer and Community Affairs
Pacific Power
- David Hawk, E2A Energy Analysis and Answers
Idaho Governor Representative
- Tom Karier, Northwest Power and Conservation Council
Washington Governor Representative
- Steve Kern, Power Supply and Environmental Affairs Business Officer
Seattle City Light
- Patrick McGary, Director of Energy Resources
Clark Public Utilities
- Clay Norris, Director of Power Resources Division
Eugene Water & Electric Board
- Rhys Roth, Director of Strategic Innovation
Climate Solutions
- Cal Shirley, Vice President Energy Efficiency Services
Puget Sound Energy
- Brian Skeahan, General Manager¹⁴
Cowlitz County PUD
- Jim West, Assistant General Manager
Snohomish County PUD
- Craig Smith, Assistant General Manager (ex-officio Chair)¹⁴
Snohomish County PUD
- Deb Young, Program Consultant
NorthWestern Energy

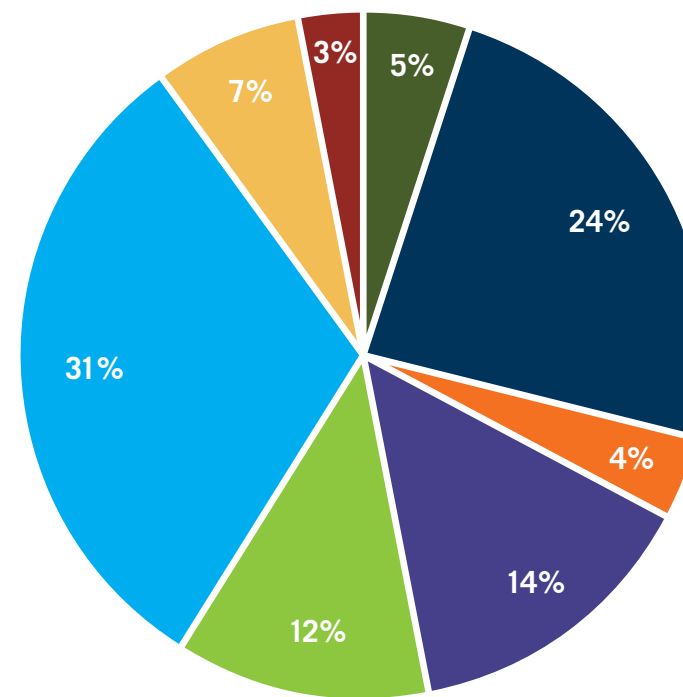
2010 Financials

ASSETS

Cash and cash equivalents	\$11,294,851
Funder and other receivables.....	412,791
Prepaid expenses.....	184,723
Property and equipment.....	983,449
TOTAL ASSETS	\$12,875,814

LIABILITIES AND NET ASSETS

Accounts payable and other liabilities....	\$5,721,050
Advances from funders	4,335,514
Total liabilities.....	\$10,056,564
Net Assets	
Unrestricted	\$2,668,050
Temporarily restricted	151,200
Total net assets	\$2,819,250
TOTAL LIABILITIES AND NET ASSETS	\$12,875,814



STATEMENT OF ACTIVITIES

Year ending December 31, 2010

REVENUES

Contributions.....	\$29,880,905
Interest income	40,579
Contract and other revenues.....	128,686

TOTAL REVENUE \$30,050,170

EXPENSES

Project costs	\$24,602,564
General operations	4,036,520

TOTAL EXPENSES \$28,639,084

CHANGE IN NET ASSETS \$1,411,086

2010 EXPENSES BY SECTOR

- Codes and Standards, \$1.4 million
- Commercial, \$7.0 million
- Emerging Technology, \$1.0 million
- General Operations, \$4.0 million
- Industrial, \$3.5 million
- Residential, \$8.9 million
- Evaluation and Regional Studies, \$2.0 million
- Partner and Stakeholder Services, \$0.9 million



NORTHWEST ENERGY EFFICIENCY ALLIANCE (NEEA)

is a non-profit organization working to maximize energy efficiency through the acceleration and adoption of energy-efficient products, services and practices. NEEA is supported by and works in collaboration with the Bonneville Power Administration, Energy Trust of Oregon and more than 100 Northwest utilities. For more information, visit neea.org.

SUSTAINABILITY COMMITMENT

NEEA is committed to the practice of sustainability. In 2009 NEEA adopted a five-year sustainability goal and action plan to reduce its total CO₂ emissions by 69 percent by the end of 2014. In its new office space, NEEA implemented cutting-edge energy management and lighting advancements that are 80 percent more energy efficient than current lighting code.



Resource Savings of this Report*

6 Fully Grown Trees	2950 Gallons of Water	2 Million BTUs	179 Pounds of Solid Waste	613 Pounds of Greenhouse Gases
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*Northwest Energy Efficiency Alliance (NEEA), saved the following resources by using 498 pounds of Imagination, made with 100% recycled fiber and 100% post-consumer waste, processed chlorine free, designated Ancient Forest Friendly™ and manufactured with electricity that is offset with Green-e® certified renewable energy certificates: 6 fully grown trees, 2950 gallons of water, 2 Million BTUs of energy, 179 pounds of solid waste, and 613 pounds of greenhouse gases. Calculations based on research by Environmental Defense Fund and other members of the Paper Task Force. www.newleafpaper.com