



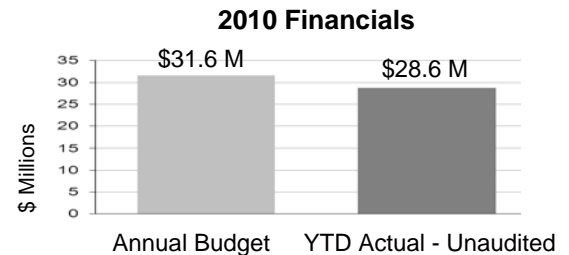
NEEA Performance Report

Executive Summary

Fourth Quarter 2010

Financial

2010 YTD actual results were 91% of annual budget. Delayed hiring, longer contract ramp-up in emerging technology projects, and delayed launch of Residential Stock Assessment field work contributed to variance. Final audited results will be available at the May Board meeting. Final close numbers are \$583,000 higher than soft close due to late submittal of invoices and accruals.



Business Plan and Management

Market Adoption

- Homebuyer awareness of Northwest ENERGY STAR® Homes grew. Market adoption increased to nearly 15% of regional market share.
- Idaho's Office of Energy Resources leveraged NEEA's building operations energy tune-up framework to benefit 800 schools in Idaho.
- The Oregon Association of Nurseries set a long-term energy reduction goal as the second industry group to leverage NEEA's Continuous Energy Improvement system.

Regional Advantage

- EFFICIENCY CONNECTIONS** NW conference connected 300+ professionals, garnering positive evaluations. Planning is underway for event Nov. 1-2, 2011.
- NEEA proposed a simplified and lower testing burden for walk-in coolers and freezers that promises easier regulatory compliance and enforcement. Under review by the U.S. DOE.

Business Operations

- NEEA Board of Directors approved financial policies after Audit Committee review.
- NEEA staff moved to a new office space that accommodates growth, fosters collaboration and showcases energy-efficient lighting and management solutions.

Savings Outlook

Annual forecast exceeds targets for total regional and net market savings.

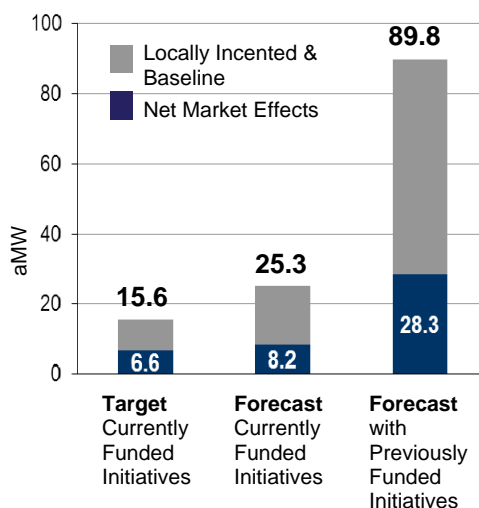
Long-Term Value

- NEEA forecasts a total regional savings in 2010 of 64 aMW from previously funded initiatives, of which 18.5 aMW are net market effects. Major contributors were residential lighting (specialty and general), commercial codes and industrial drive power initiatives.

Filling the Pipeline

- NEEA passed a milestone in using DHPs in cold climates by demonstrating performance in sub-zero temperatures. Recent field tests validate manufacturer claims.
- To build market capacity for heat pump water heaters in colder Northwest areas, NEEA identified equipment currently available that complies with its Northern Climate specification.

2010 Total Regional Savings



For Discussion

- Revised quarterly performance reports based on Board feedback

Total regional savings since NEEA inception: 601 aMW



2010 Financials – (shown in thousands)

| Business Unit | Annual Budget | YTD Actual - Unaudited | YTD Actual as % of Annual Budget | Reasons for Variance |
|--------------------------------|---------------|------------------------|----------------------------------|--|
| Market Planning & Operations | 20,817 | 20,797 | 100% | ▪ Delay in industrial sector project launches; low headcount |
| Emerging Technology | 1,880 | 984 | 52% | ▪ Longer contract ramp-up; slower than anticipated market response for heat pump water heaters; longer than anticipated planning and collaboration processes |
| Stakeholder Services | 4,354 | 3,697 | 85% | ▪ Delay in hiring, later than expected launch of Residential Building Stock Assessment fieldwork |
| Business Planning & Operations | 3,825 | 2,588 | 68% | ▪ Savings in insured benefits from slower than anticipated hiring and 403b plan contribution change |
| Executive | 692 | 573 | 83% | ▪ Delay in hiring of policy advisor |
| Total Organization | 31,568 | 28,639 | 91% | |

Note: 2010 hard close was \$583 greater than soft close. Working to resolve late invoice and accrual submittal issue. Emerging Technologies allocation represents direct expenses for the business unit. Total spending on emerging technologies over 2010-2014 is roughly \$32M or 16% of annual budget. Stakeholder Services includes Evaluation and Market Research, Partner Services and Corporate Communications.

2010 Net Cash Flow – (shown in thousands)

| | Q1 Actual | Q2 Actual | Q3 Actual | Q4 Actual | Assumptions |
|--------------------------|--------------|--------------|--------------|--------------|---|
| Cash on Hand | | 1,178 | 3,870 | 4,723 | ▪ \$11,950, or 38% of direct funding, is fixed income from nine of 13 fixed contracts. Cash flow excludes PacifiCorp: Rocky Mountain Power annual funding of \$427. |
| Income - Cash Receipts | 6,518 | 7,928 | 8,042 | 8,959 | |
| Expenses | 5,340 | 5,236 | 6,639 | 9,798 | |
| Capitalized Expenditures | | | 550 | 475 | ▪ New office space and IT expenditures capitalized and depreciated over their respective useful lives of 3-10 years |
| Net Cash Flow | 1,178 | 3,870 | 4,723 | 3,409 | |



2010 Savings Detail – Currently Funded Initiatives

| | Net Market (aMW) | | | Total Regional (aMW) | | | Comments |
|-------------------------------|---------------------|-----------------------|-------------|----------------------|-------------|-------------|--|
| | Target ¹ | Forecast ² | % to Target | Target | Forecast | % to Target | |
| Residential | | | | | | | <ul style="list-style-type: none"> Anticipating TV market data leading to changes in naturally occurring savings (baseline). Potential impact to 2010 final net market savings ±10% |
| Ductless Heat Pumps (DHPs) | | 0.0 | | | 2.0 | | |
| ENERGY STAR® Television | 4.6 | 5.8 | | 8.7 | 15.8 | | |
| ENERGY STAR New Construction | | 0.0 | | | 0.2 | | |
| Residential Total | 3.6 | 5.8 | 161% | 9.0 | 18.0 | 200% | |
| Commercial | | | | | | | <ul style="list-style-type: none"> Total regional savings increase of 1.1 aMW based on improved data collection at Idaho Lab. To be validated Unanticipated increase in baseline leads to 0.8 aMW decline in net market savings. Requires additional investigation |
| BetterBricks | | 0.3 | | | 3.2 | | |
| 80 PLUS® (ENERGY STAR 4.0+) | | 0.5 | | | 1.0 | | |
| Commercial Total | 1.8 | 0.9 | 47% | 4.3 | 4.2 | 98% | |
| Industrial | | | | | | | <ul style="list-style-type: none"> Total regional savings forecast of 3.1 aMW based on Q3 evaluation that validated a higher rate of market penetration |
| Continuous Energy Improvement | | 1.6 | | | 3.1 | | |
| Industrial Total | 1.2 | 1.6 | 133% | 2.3 | 3.1 | 137% | |
| Total | 6.6 | 8.2 | 125% | 15.6 | 25.3 | 162% | |

2010 Savings Detail – Previously Funded Initiatives

| | Net Market (aMW) | Total Regional (aMW) | Comments |
|--------------------|------------------|----------------------|--|
| | Forecast | Forecast | |
| Residential | 11.8 | 50.4 | <ul style="list-style-type: none"> Previously funded initiatives generating ongoing savings include residential lighting (specialty and general), commercial codes, and industrial drive power Annual targets have not been identified for previously funded initiatives |
| Commercial | 7.7 | 11.1 | |
| Industrial | 0.6 | 3.1 | |
| Total | 20.1 | 64.5 | |

2010 Savings Forecast - Total

| | Net Market (aMW) | Total Regional (aMW) |
|--------------------|------------------|----------------------|
| Grand Total | 28.3 | 89.8 |

¹ Initiative-level savings targets for 2011 will be published in future Quarterly Performance Reports.

² Codes & Standards savings are folded into sector totals.



2010 Savings Detail – Currently Funded Initiatives – State

| | Net Market (aMW) | | | Total Regional (aMW) | | |
|-------------------|---------------------|-----------------------|-------------|----------------------|-------------|-------------|
| | Target ¹ | Forecast ² | % to Target | Target | Forecast | % to Target |
| Idaho | .8 | 1.0 | | 1.9 | 3.0 | |
| Montana | .5 | .6 | | 1.1 | 1.8 | |
| Oregon | 2.3 | 2.9 | | 5.4 | 8.9 | |
| Washington | 3.0 | 3.7 | | 7.2 | 11.6 | |
| Total | 6.6 | 8.2 | 124% | 15.6 | 25.3 | 162% |

2010 Savings Detail – Previously Funded Initiatives – State

| | Net Market (aMW) | Total Regional (aMW) | Comments |
|-------------------|------------------|----------------------|---|
| | Forecast | Forecast | |
| Idaho | 2.4 | 7.7 | ▪ Annual targets have not been identified for previously funded initiatives |
| Montana | 1.4 | 4.5 | |
| Oregon | 7.0 | 22.6 | |
| Washington | 9.3 | 29.7 | |
| Total | 20.1 | 64.5 | |

2010 Savings Detail – All Initiatives – State

| | Net Market (aMW) | Total Regional (aMW) |
|--------------------|------------------|----------------------|
| | Forecast | Forecast |
| Idaho | 3.4 | 10.7 |
| Montana | 2.0 | 6.3 |
| Oregon | 9.9 | 31.5 |
| Washington | 13.0 | 41.3 |
| Grand Total | 28.3 | 89.8 |

¹ NEEA targets savings at the initiative level. The state savings numbers shown are calculated based on funding share.

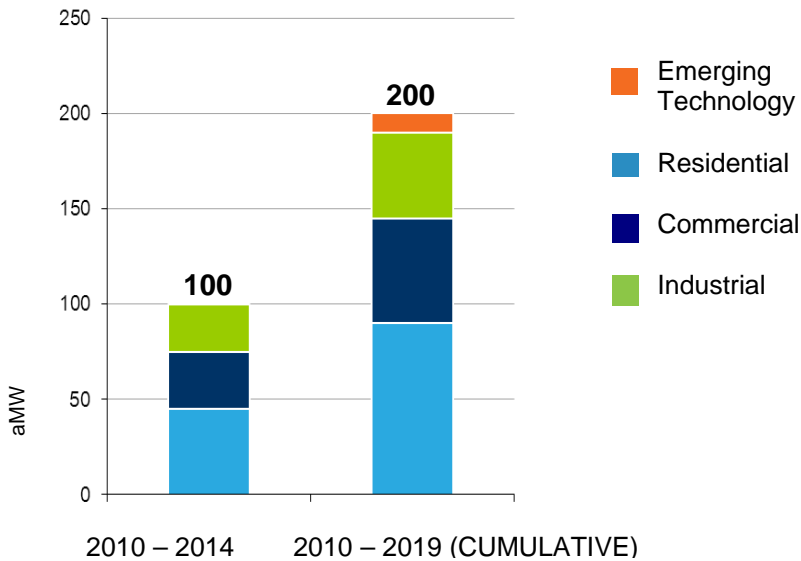
² NEEA forecasts savings at the initiative level. Savings forecasts are trued-up annually. The state savings numbers shown are calculated based on funding share.



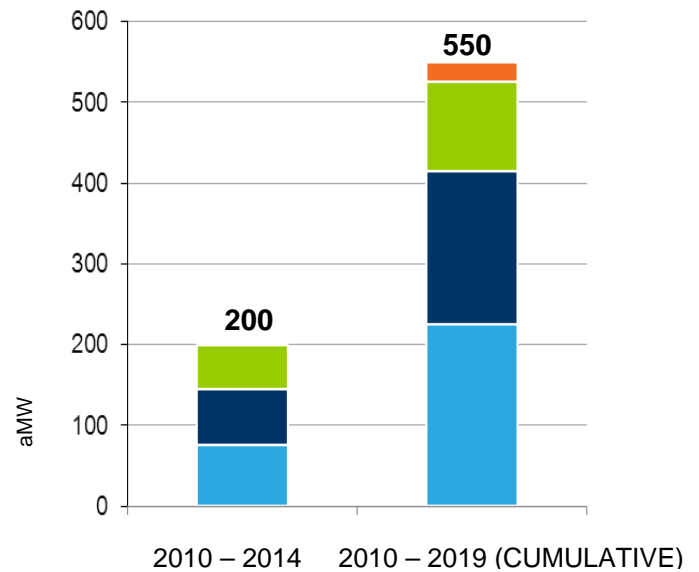
Reference

Savings Goals – 2010-2014 Business Plan

NET MARKET (aMW)



TOTAL REGIONAL (aMW)



NEEA Definitions

| | |
|-------------------------------|---|
| Business Plan | A five-year plan running from 2010-2014, based on NEEA’s Strategic Plan |
| Operations Plan | NEEA’s annual plan of operations |
| Total Regional Savings | Referred to in report as “Total Regional,” savings associated with all market changes. Total regional savings equals Net Market Effects plus Locally Incented and Baseline savings |
| Net Market Effects | Referred to in report as “Net Market,” savings associated with market change and not counted as Locally Incented or Baseline |
| Locally Incented | Savings claimed through local utility, Energy Trust of Oregon or Bonneville Power Administration (BPA) programs |
| Baseline | Savings from naturally occurring market change without utility, NEEA, BPA or Energy Trust of Oregon-funded intervention |
| Currently Funded Initiatives | Represents savings based on the 2010-2014 NEEA Business Plan |
| Previously Funded Initiatives | Represents savings continuing from prior NEEA business plans |
| Annual Target | Annual Operations Plan target toward five-year business plan savings goal |
| Savings Forecast | Savings forecasts are based on key assumptions and the latest market data available to NEEA. Savings calculations are subject to change. Forecasts are not reviewed by NEEA’s Cost-Effectiveness Advisory Committee |