



# **Northwest Energy Efficiency Alliance 2011 Operations Plan Summary Final**



**Approved by the  
Board of Directors  
December 10, 2010**

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## Executive Summary

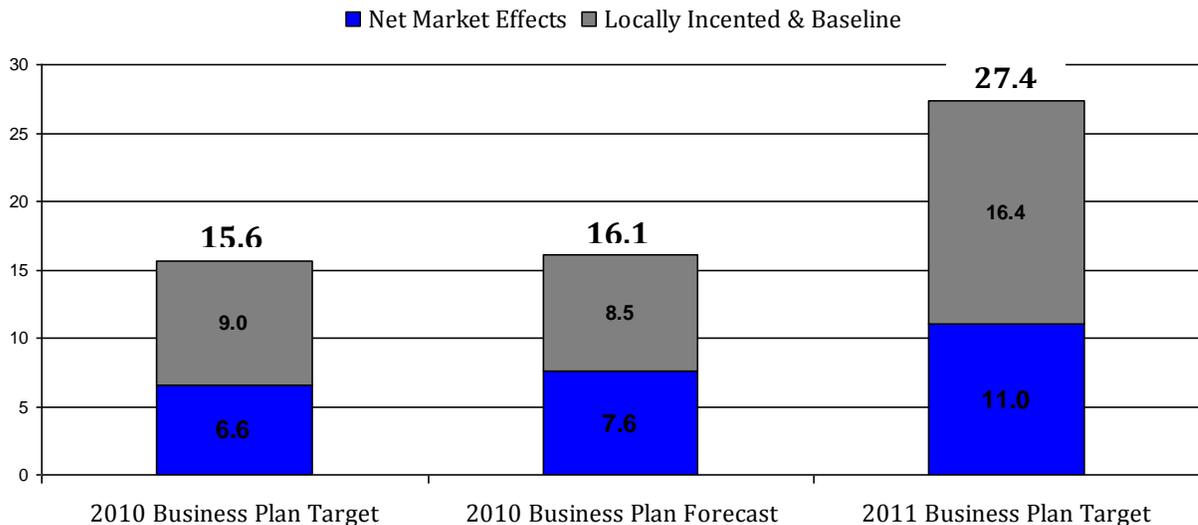
This document presents a summary of the Northwest Energy Efficiency Alliance (NEEA) 2011 Operations Plan. The complete plan delivers the tactical execution detail for the second year of the 2010-2014 funding cycle.

The 2011 plan brings to action several key commitments serving the long term goals and NEEA's mission of market mobilization:

- Expanded Emerging Technology development projects
- Increased emphasis in codes and national standards work
- Advancing stakeholder relationships and regional collaboration
- Improved process and documentation standards
- Building NEEA's competencies
- Balancing NEEA's portfolio to deliver equitably to the region
- Launched measurable redesigned initiatives in the Commercial sector
- Continued market transformation momentum in consumer electronics
- Delivery of one comprehensive market strategic plan with full regional integration

The plan supports the 4th funding cycle energy saving goal targeting a five year cumulative total of 200 aMW regional total. NEEA forecasts a range of 60 – 80 aMW's of electricity savings achieved in 2011. Approximately 38% of these savings can be attributed to current cycle investments and the remainder based on prior cycle investments. NEEA is forecasting to meet the 2010 annual savings target. The 2011 savings target is 27.4 aMW, as shown in the following chart. Additional details are available in appendix one.

### Annual Business Plan Total Regional Savings (aMW)



The budget for FY2011 operations is \$37,854,754 a 20% increase over 2010 operations budget of \$31.5m and a 32% increase over FY2010 estimated year end expenditures of \$28.6m. This ramp in expenditures is consistent with NEEA's business plan and expenditures are anticipated to level out in 2013 and 2014. Following is the budget by business unit. Additional details are available in appendix two.

	<b>2010 Budget</b>	<b>2010 % of Total Budget</b>	<b>2011 Budget</b>	<b>2011 % of Total Budget</b>
<b>Emerging Technologies</b>	1,879,695	6%	3,764,560	10%
<b>Market Operations</b>	21,909,090	69%	23,812,009	63%
<b>Stakeholder Services</b>	3,261,849	10%	5,451,977	14%
<b>Executive</b>	692,252	2%	990,449	3%
<b>Business Operations</b>	3,824,880	12%	3,835,759	10%
<b>TOTAL</b>	<b>\$ 31,567,766</b>		<b>\$ 37,854,754</b>	

Cash flow analysis reveals expected receipts in 2011 sufficient to meet cash requirements. Additional details are available in appendix two.

NEEA has experienced a 90% increase in headcount since 2009 through 2010. With the projected increase to 75 headcount in 2011, growth will equal 150% since 2009. The growth was planned, and is driven by the following factors: the addition of new business areas, such as partner services and emerging technologies; the increased focus on regional collaboration and enhancing stakeholder relationships, and lastly, building internal strategic competencies, such as planning and market operations.

NEEA will continue to be mindful of the challenges related to organizational growth. Along with continued emphasis on improving business processes, and tools for enhanced collaboration, a primary focus for 2011 will be building staff capabilities and organizational culture while delivering on business commitments.

## **Emerging Technologies**

### **Overview**

In 2010, Emerging Technologies (ET) was established as a cross-functional business unit with the goal of increasing regional market availability of emerging technologies. Much of the effort expended in 2010 was directed towards building the structure for the ET business unit. Special emphasis was placed on establishing collaborative relationships with other emerging technology groups and organizing work to leverage regional resources. The focal point for this collaboration was the establishment of the Regional Emerging Technologies Advisory Committee.

In 2011, NEEA's ET effort will continue to ramp up significantly. 2011 will see an expansion of its technology development projects in ways that benefit the region and compliment the efforts of other organizations. Based on research results from 2010, project focus in 2011 will be on confirmation and market introduction and less on opportunity discovery. A key objective is to continue to maintain a portfolio of technologies with the potential to generate 300 aMW of power over the next 20 years.

Another key objective is to see continued enhancement of collaborative ET efforts around the region as well as with other ET efforts in the US and Canada. NEEA's ET efforts will work in collaboration with BPA, ETO and other regional efforts to identify and support high priority energy efficiency targets for the region. This includes collaboration with Pacific Northwest National Labs on a potential regional "Test Bed" project.

Internally, NEEA's ET efforts will continue to work in support of NEEA's own market transformation efforts. A key internal objective for 2011 is the integration of ET planning and development processes with Market Operations initiative life-cycle planning process.

### ***Budget and Objectives***

The 2011 ET budget is \$3,764,560, or roughly 10% of NEEA's total budget. This budget represents a 173% increase over 2010 budget. This 2011 budget level represents an amount slightly beyond what is anticipated for annual budgets in the 2012-2014 period. This increase in 2011 is a deliberate strategy to ensure that multi-year emerging technology projects get launched in time to yield results before the end of the 2014 Business Plan period. Following is more detail on the planned initiatives, budget and deliverables for 2011:

<b>Emerging Technology</b>	<b>2011 Budget</b>
Salaries, Related & GA	674,559
Initiatives	3,090,001
<b>Total Emerging Technology</b>	<b>\$ 3,764,560</b>

<b>Initiative</b>	<b>Budget</b>	<b>Objective/Deliverable</b>
<b>ET – Residential</b>	\$1,449,997	<ul style="list-style-type: none"> <li>• Continued support of the Ductless Heat Pump Pilot Project</li> <li>• Market delivery and performance measurement of at least one market-ready Heat Pump Water Heater meeting the Northern Climate Specification</li> <li>• Enhanced market readiness for high-performance R-5 windows</li> <li>• Assessment of performance for Super Efficient Dryers</li> <li>• Support for consumer electronics and residential lighting products</li> </ul>
<b>ET – Commercial</b>	\$790,008	<ul style="list-style-type: none"> <li>• Development and demonstration of key supporting components for existing building renewal including development of financial-grade assessment tools, high-performance glazing retrofit approaches, and high efficiency flexible HVAC approaches.</li> <li>• Market support for high performance outdoor lighting with an emphasis on network controls for street and area lighting</li> <li>• Enhanced building operations tools</li> </ul>

<b>ET- Industrial/Agriculture</b>	\$599,996	<ul style="list-style-type: none"> <li>• Establishment and demonstration of high efficiency refrigeration best practices and technologies</li> <li>• Establishment of standardized savings from “green pump” refurbishment practices</li> <li>• Demonstrate performance of at least one voltage optimization product or practice targeted towards small to medium industrial facilities</li> <li>• Confirm performance of at least one agricultural EE opportunity identified in 2010 market characterization.</li> </ul>
<b>ET – Collaboration and Unsolicited</b>	\$250,000	<ul style="list-style-type: none"> <li>• Continue work with RETAC to develop collaborative NW regional ET work</li> <li>• Meet with California ET Coordinating Council</li> <li>• Meet with BC Hydro</li> <li>• Participate in national ET collaborative efforts as appropriate</li> <li>• Support Unsolicited Proposal process</li> </ul>

By nature, many of NEEA’s emerging technology (ET) efforts are targeted at market opportunities that have a high degree of uncertainty both in terms of scope as well as timing. It is possible that at any given time, some ET projects may “take off” at a higher rate of adoption than anticipated or alternately that an unanticipated opportunity may show up through an unsolicited proposal that may require additional funding beyond that anticipated in the annual Operations Planning process.

In order to accommodate this uncertainty, an alternative financing mechanism that can accommodate an unexpected large financial need in NEEA's emerging technologies work will be developed for consideration by the Board of Directors.

## Market Operations

### Overview

Market Operations oversees all market based and codes & standards activity for NEEA. The unit designs and implements the interventions that result in the energy savings delivery of NEEA. During 2010, the combined impacts of...

- Commercial Sector program overhaul
- Introduction of planning resources into Market Operations
- Development of portfolio management practices

- Creation of the Regional Portfolio Advisory Committee
- Increased pressure for delivery to diverse funder expectations

...resulted in critical discoveries, advances and influences on the near term focus of Market Operations. Market initiatives, while functioning, generally lacked standardized processes and suffered from incomplete documentation. There was found to be an insufficient connection between initiative theory, design, measurement, implementation and reporting. Program and sector managers have little ability to 'own' savings forecasts. Comprehensive understanding of these processes and requirements within the program staff is weak.

With less ability to rely on the delivery of savings through CFLs, increased regulatory scrutiny, and increased stakeholder expectations stemming from higher funding, it is critical to achieve major advancement in the knowledge and supporting processes in NEEA's market program practices. Significant gains were made in 2010 and the completion to maintenance phase will be a major objective in 2011.

A second development of the past year was the creation of the Regional Portfolio Advisory Committee (RPAC). This group facilitates direct input on initiative selection from the regional stakeholders. Next steps of engagement and alignment with this group are high priority.

To inform RPAC a Portfolio Analysis system was developed to quantify and review initiatives. This has resulted in a positive step toward regional engagement in NEEA activities and improved potentials of results and stakeholder satisfaction.

RPAC engagement has also resulted in a reduction of focus on balanced investment between sectors and increased interest in achieving goals of the region through the best selection of initiatives. One immediate impact has been the ramp up in residential activity focused on consumer electronics and a relative reduction in industrial work.

The region has expressed its interest in increased coordination of cross region activity in 2011 and NEEA will take multiple roles to this objective. NEEA Market Operations will develop the coordination process for select NEEA initiatives. Through the sector advisory committees, NEEA will facilitate cross region coordination of these initiatives.

## **Objectives**

Following significant changes in operations in 2010, new changes of magnitude are not expected in 2011. With improved initiative clarity and advanced stakeholder engagement the way is clear for improved focus on execution during the year.

1. The highest objectives for Market Operations are to deliver to the region according to the commitments of the 2010-2014 Business Plan. This means meeting the cumulative cycle four savings goals through 2011 and building the platform for future savings delivery.
2. Coordination, collaboration and communication with all stakeholders are critical success factors for NEEA.
  - a. Market Operations through the work of its managers, committees and staff, achieve an advanced level of satisfaction and engagement among stakeholders connected with the work of the organization.
  - b. The group will develop an advanced process of regional coordination of select initiatives. The goal is to fully coordinate at least six NEEA initiatives including at least one in each sector.
  - c. Continuing the development of portfolio management with the engagement of the region the team will increase the functionality of the management tools through better mechanisms for estimation.

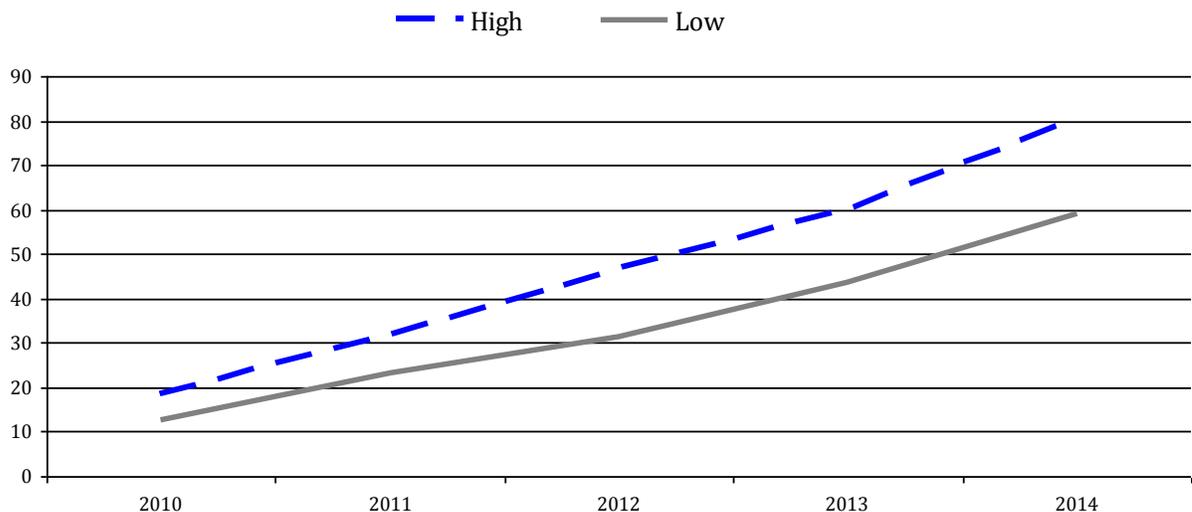
- i. Portfolio management is the mechanism to plan for regional equity.
  - ii. Through the implementation process NEEA will track market engagement, development and savings results by state and by rural/non rural designated areas.
  - iii. Current forecasts demonstrate the need for additional emphasis on rural markets and the states of Idaho and Montana.
  - iv. Planning for regional and rural equity has been embedded in the initiative lifecycle process and special attention needs to be given to the late stages as initiatives mature at different rates in different markets.
- 3. The organization achieves its work, in part, through influence, networks and leverage. This requires a sophisticated, competent and recognized organization. NEEA Market Operations will continue to develop these capabilities.
  - a. Maintain presence and engagement on the regional and national stage by participation in appropriate conferences, presentation of industry advancing papers and generally advancing the practice.
  - b. Seek the development of appropriate partnerships and relationships that benefit the work, including: DOE, EPA, National Labs, regional efficiency organizations and market specific organizations.
  - c. Advance organizational learning on core MT practices through at least two organization wide learning and sharing events (MT Core).

### **Energy Savings**

NEEA forecasts a range of 60 – 80 aMW's of electricity savings achieved in 2011. Approximately 38% of these savings can be attributed to current cycle investments and the remainder based on prior cycle investments.

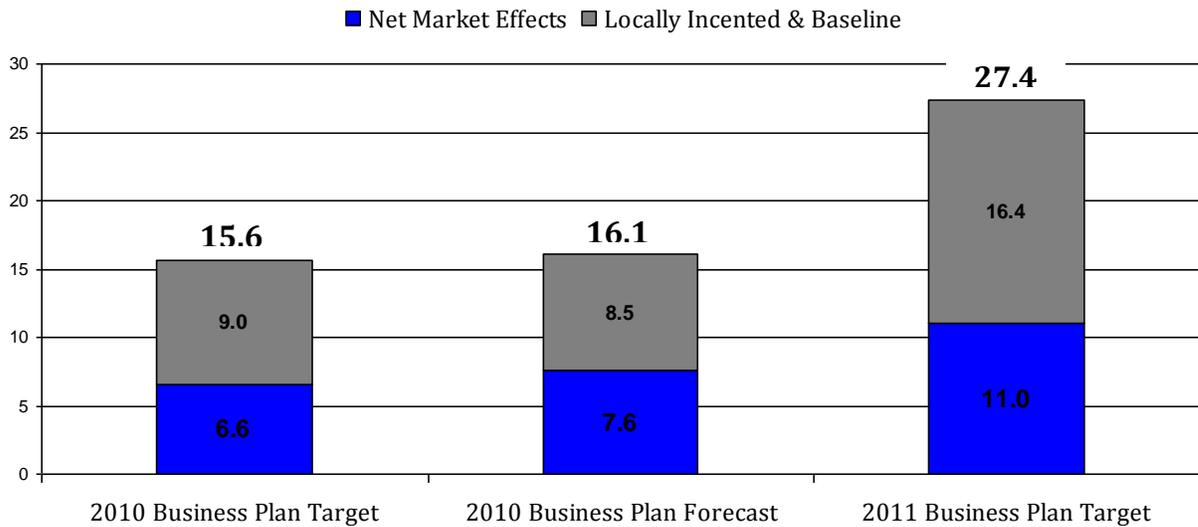
The following chart reflects the range of expectations for total savings throughout the cycle and is consistent with the goals of the 2010 to 2014 Business Plan. The 2011 plan supports the 4th funding cycle energy saving goal targeting a five year cumulative total of 200 aMW regional total.

**Range of Business Plan Total Regional Savings (aMW)**



The following chart compares NEEA's 2010 business plan target and forecast relative to the 2011 Business Plan Target. Additional detail is available in appendix one.

## Annual Business Plan Total Regional Savings (aMW)



### ***Budget***

The 2011 Market operations budget is \$23,812,009 or 63% of NEEA's total budget. The 2011 budget represents a 9% nominal increase over 2010, but a smaller relative share of NEEA's total budget than the prior year. The following table reveals the budget by sector. Direct evaluation costs are included in the budgets below.

Market Operations	2010 Budget	2011 Budget	2011 % of Total Budget
Market Planning & Adm.	537,335	607,777	3%
Commercial Sector	7,461,718	8,243,149	35%
Industrial/Agriculture	4,015,120	4,040,094	17%
Residential	8,893,629	9,371,530	39%
Codes and Standards	1,001,288	1,549,459	7%
<b>TOTAL</b>	<b>\$ 21,909,090</b>	<b>\$ 23,812,009</b>	

### ***Commercial Sector***

NEEA's commercial activity was thoroughly reviewed and redesigned in 2010. At the same time, the unit reorganized and clarified its infrastructure elements, adding an Operations Manager to oversee these. Through late 2010 and into Q1 of 2011, the Commercial Sector will begin to implement substantial changes in its continuing initiatives, take its newest initiatives through the initiative development process, and create new or revised Logic & ACE Models for all of its initiatives. The bulk of 2011 will be focused on capitalizing on these redesign and initiative development processes, integrating and developing new and existing staff, and substantial and measureable market transformation progress. Following is detail on the planned initiatives, budget and deliverables for 2011:

Commercial	2011 Budget
Salaries, Related & GA	1,142,237
Initiatives	6,515,912
Evaluations	585,000
<b>Total Commercial</b>	<b>\$ 8,243,149</b>

<b>Initiative</b>	<b>Budget</b>	<b>Objective/Deliverable</b>
<b>Existing Building Renewal</b>	\$1,258,900	<ul style="list-style-type: none"> <li>• Market Research completed and analyzed</li> <li>• Baseline established</li> <li>• Packages developed that achieve at least 40% savings over baseline</li> <li>• Utility coordination review and draft plan completed</li> <li>• 2-4 pilot applications underway</li> <li>• Draft Roadmap(s) with SEM elements related to deep energy renovation are defined</li> <li>• Completed research into establishment of tenant self-referencing group</li> <li>• Develop marketing plan and strategies; preliminary marketing on case studies and pilot projects</li> </ul>
<b>Business IT/80 PLUS</b>	\$1,830,000	<ul style="list-style-type: none"> <li>• <i>(Placeholder budget based on preliminary assessment. Includes incentives. Currently in research before detailed strategy and objectives are established – see Overview)</i></li> <li>• Strategy Approval</li> <li>• Offering complete</li> <li>• Hire Market Manager</li> <li>• Engaged in market</li> </ul>
<b>Office Real Estate</b>	\$1,007,412	<ul style="list-style-type: none"> <li>• 6 Partner Real Estate firms showing measurable progress on SEM</li> <li>• Portland &amp; Seattle competitions participation of over 125 buildings</li> <li>• SERE Advisory Board formed</li> <li>• SERE Curriculum and programming complete</li> <li>• EE Finance Innovation research effort launched</li> <li>• EE Finance Innovation models and approaches designed</li> <li>• EE Finance Innovation Pilot launched</li> <li>• Green Building Opportunity Index published</li> </ul>
<b>Hospitals</b>	\$237,000	<ul style="list-style-type: none"> <li>• Develop and implement plan for transitioning SEMP strategy, tools and resources to utilities and other market players.</li> <li>• Participation by 25% of regional hospitals in ASHE Region 10 E2C Benchmarking Campaign.</li> <li>• Regional RCM Cost Share hospital partners are tracking and meeting energy savings goals.</li> <li>• Delivery of education, marketing and other “knowledge transfer” programs to diffuse best practices, information, and tools for broader market emulation.</li> </ul>
<b>Lighting Solutions</b>	\$980,000	<ul style="list-style-type: none"> <li>• Achieve CLS Concept, Strategy and Implementation plan approvals.</li> <li>• Compile research on existing templates (NBI, DOE, PNNL, etc.) for key building types (medium to small office, healthcare, retail, and multifamily/lodging).</li> <li>• Identify and launch pilot lighting projects (10?) to</li> </ul>

		test lighting tool, program delivery, incentive levels, and training packages and verify savings.
		<ul style="list-style-type: none"> <li>• Complete case studies on pilots and integrate learning into program theory.</li> <li>• Develop regional utility incentive recommendation for NW utilities.</li> <li>• Develop training modules for existing trade ally networks on templates.</li> <li>• Develop owner side awareness marketing plan</li> </ul>
<b>Education &amp; Training</b>	(Budget embedded in initiatives)	<ul style="list-style-type: none"> <li>• Market and deliver Education and Training sessions across the region to include seminars, workshops, series and certification programs.</li> <li>• Develop and implement advanced certification through partner organizations for design engineers and building engineers.</li> <li>• Complete research and pilot training for Business IT initiative.</li> <li>• Complete research and pilot training for Existing Building Renewal (EBR) initiative.</li> </ul>
<b>New Building Design</b>	\$772,600	<ul style="list-style-type: none"> <li>• Reduced IDL budget for transition</li> <li>• Technical assistance for limited local projects committed to 2030 targets and M&amp;V</li> <li>• Support education and training incl. AIA+ course</li> </ul>

### ***Industrial/Agriculture Sector***

The focus for 2011 is to continue to execute the five year strategy of market transformation through demand creation, building know how and supply for industrial strategic energy management. Strategic Energy Management (SEM) is the management system for energy that actively manages energy as a controllable expense. SEM is a holistic approach used to ensure a sustaining effort in the organization in managing energy performance against a defined goal. Because SEM is now a proven energy savings approach for Northwest industry, Sector will further develop more upstream market influence strategies in order to accelerate market adoption. Following is more detail on the planned initiatives, budget and deliverables for 2011:

<b>Industrial and Agriculture</b>	<b>2011 Budget</b>
Salaries, Related & GA	755,094
Initiatives	2,980,000
Evaluations	305,000
<b>Total Industrial and Agriculture</b>	<b>\$ 4,040,094</b>

<b>Initiative</b>	<b>Budget</b>	<b>Objective/Deliverable</b>
<b>Agricultural</b>	\$275,000	<ul style="list-style-type: none"> <li>• Initiative Start</li> <li>• Concept Approval</li> <li>• Strategy Approval</li> </ul>

<b>Food Processor</b>	\$790,000	<ul style="list-style-type: none"> <li>• Northwest Food Processors Association (NWFPA) creates and adopts NWFPA energy roadmap, outlining strategies and tactics for reaching the 25% reduction in energy intensity goal.</li> <li>• NEEA begins supporting NWFPA in energy intensity reduction promotion and recruiting effort.</li> <li>• NEEA deploys and promotes online Continuous Energy Improvement (CEI) to NWFPA members.</li> <li>• NEEA attends annual NWFPA Executive Business Summit to promote energy efficiency as a plank in sustainability strategies.</li> <li>• NEEA launches version of CEI designed to provide a pathway to ISO 50001 for interested companies.</li> <li>• NEEA reviews results from NWFPA's base lining/measurement effort. NEEA determines results from CEI for self-sustaining pilot.</li> <li>• NEEA reviews 2011 Food Processor Market Transformation Initiative efforts with portfolio committees.</li> </ul>
<b>Small to Medium Size Manufacturing Business (SMB)</b>	\$1,200,000	<ul style="list-style-type: none"> <li>• Initiative Strategy Approval.</li> <li>• SMB Implementation Strategy. .</li> <li>• OAN creates and adopts OAN energy roadmap, outlining strategies and tactics for reaching the 25% reduction in energy intensity goal. .</li> <li>• NEEA and OAN promote energy intensity reduction effort and recruit participation. .</li> <li>• NEEA leverages NWFPA and OAN efforts to engage with SMB Industry Group #2 to set energy intensity goal reduction...</li> <li>• NEEA adapts key learnings from NWFPA's base lining/measurement effort to OAN membership.</li> <li>• NEEA adapts key learnings from NWFPA's assessment effort to determine high leverage ee opportunities in OAN and promotes to membership.</li> </ul>
<b>Marketing</b>	\$237,000	<ul style="list-style-type: none"> <li>• NEEA sponsors, promotes, and attends 3rd Annual Industrial EE Forum.</li> <li>• NEEA, NWFPA and OAN create and implement marketing strategies and tactics to recruit new members to their respective goal setting efforts and ensure existing members are engaged and motivated to pursue ee activities.</li> <li>• NEEA promotes the 25in10sity.org website as a source for additional information and success stories on goal setting successes and hosts events to recruit additional self-referencing groups...</li> <li>• NEEA launches education series on the business benefits of energy efficiency; the value of implementing a management system for energy; and how energy efficiency fits within the context of sustainability strategies. .</li> <li>• Industrial team submits abstracts to appropriate</li> </ul>

		conferences and symposia to promote NEEA successes. .
		<ul style="list-style-type: none"> <li>• NEEA ensures Industrial Advisory Committee has appropriate opportunities for input on key efforts.</li> </ul>
<b>Education &amp; Training</b>	\$400,000	<ul style="list-style-type: none"> <li>• Regional Industrial Training Coordinator solicits input from stakeholders and plans, publishes and promotes 2011 training schedule.</li> <li>• Regional Industrial Training Coordinator instructional designer reviews existing and new course materials to ensure they are effective and achieve goals. NEEA conducts study to determine if industrial ee training leads to reliable energy savings and, if so, proposes the addition of an Industrial Training initiative to the portfolio committees.</li> <li>• Develop and deliver a suite of standardized energy management training curricula for industrial trade allies that result in predictable participant behavior/business practice change that can be tied to measurable and replicable energy savings.</li> </ul>

### ***Residential Sector***

The Residential Sector 2011 Operations Plan is based on the work established and prioritized with key regional stakeholders. Initiatives center on: Consumer Electronics, New Construction, and New Products. The Residential Sector will also focus more on integrating NEEA's residential work with utilities' programs. With NEEA's emphasis on upstream relationships and regional infrastructure development, and the utilities' work in retail and consumer education, it's essential to integrate these respective initiatives to avoid duplication of effort and to optimize utilization of resources. A Utility Channel Manager will be hired to identify and work through those intersection points with utility program managers to increase efficiency, communication, and results in the region. Following is more on the planned initiatives, budget and deliverables for 2011:

<b>Residential</b>	<b>2011 Budget</b>
Salaries, Related & GA	777,530
Initiatives	8,070,000
Evaluations	524,000
<b>Total Residential</b>	<b>\$ 9,371,530</b>

<b>Initiative</b>	<b>Budget</b>	<b>Objective/Deliverable</b>
<b>Consumer Electronics - TVs</b>	\$3,000,000	<ul style="list-style-type: none"> <li>• Retailers representing 80% of the sales in the NW region participate in the initiative.</li> <li>• 28% of all TVs sold in the Northwest Region meet/exceed ENERGY STAR 5.1</li> <li>• 100% of participating retailers deliver and execute on their marketing plans, including training and merchandising commitments</li> <li>• Enhanced Services store pilot is executed at 20 locations</li> <li>• Rural markets Independent store pilot is executed at</li> </ul>

		<ul style="list-style-type: none"> <li>non-participating locations</li> <li>ENERGY STAR 5.1 with the 108 watt cap does not get diluted in 2011; stays on track for 2012 effective date</li> <li>TopTen USA pilot is executed with a retailer.</li> <li>Expand in-store video broadcasts to support energy-efficient consumer electronics at participating retail stores.</li> <li>Further develop and maintain <a href="http://www.enengyeffecientelectronics.org">www.enengyeffecientelectronics.org</a></li> <li>2011 Fall Consumer Electronics Promo schedule delivered to retail partners</li> <li>2012 Consumer Products Plan delivered to retailer and manufacturers</li> </ul>
<b>Consumer Electronics – Desktop PCs</b>	\$400,000	<ul style="list-style-type: none"> <li>Develop plan for manufacturer engagement based on market characterization</li> <li>Logic model for desktop PCs complete</li> <li>Appropriate imitative lifecycle documentation complete</li> <li>Develop key industry partnerships</li> <li>Manufacturers join CE initiative</li> </ul>
<b>Certified Homes</b>	\$1,800,000	<ul style="list-style-type: none"> <li>ENERGY STAR trainings on HVAC and water management checklists completed</li> <li>Appraiser training launched. 200 appraisers trained.</li> <li>5 Built Green programs signed for new spec.</li> <li>New marketing materials to builders</li> <li>Realtor trainings incorporating the new spec introduced. 500 Realtors trained.</li> <li>8% market share retained</li> <li>3% incremental market share gained in Built Green Washington</li> </ul>
<b>Ductless Heat Pumps</b>	\$1,000,000	<ul style="list-style-type: none"> <li>Build market capacity to support 10,000 ductless heat pump installations throughout the region</li> <li>Increase Master Installer participant's installation rate by 10%</li> <li>Increase participation in the Master Installer program by 15% while ensuring regional equity</li> <li>Host 2011 DHP workshop</li> <li>Develop Retail strategy/pilot opportunities and pitch to 2 retailers</li> <li>Regional marketing campaign partnering with 2 DHP manufacturers</li> <li>Engage financial institution and partnering utilities to explore customer DHP loan opportunities</li> <li>Launch PR campaign strategy to increase consumer awareness</li> </ul>
<b>Heat Pump Water Heaters</b>	(funded by Emerging Technologies)	<ul style="list-style-type: none"> <li>Manufacturer letter of intent committing to producing Northern Climate qualifying product</li> <li>Place POP material in all NW Sears, Home Depot and Lowes stores</li> <li>Begin retailer training at all NW Sears, Home Depot and Lowes stores</li> </ul>

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- Outline water heat supply channel identifying distributors and plumbing supply organizations
  - Distribute consumer education material and installation guide throughout distribution/plumbing supply channel if stocking HPWH
  - Design incentive program in partnership with ET and deliver to partners/market
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## **Codes and Standards**

Interest in codes and standards increased among NEEA's funders and other efficiency stakeholders as momentum and accomplishments continued to build:

- The Sixth Power Plan ascribed 45% of all potential regional savings over the next 20 years to codes and standards.
- Major new codes were adopted in Oregon, Montana and Washington in late 2009 and early 2010 (Idaho is right behind with a new code starting January 2011.)
- The largest number of people in NEEA's history received code training in 2010.
- US DOE passed a federal appliance standard requiring water heaters >55 gallons to use heat pump technology giving a large boost to NEEA's heat pump water heater initiative.
- A consensus agreement on 'white goods' appliance standards was negotiated between efficiency advocates and manufacturers and submitted to US DOE. Estimated cumulative regional savings are 164 aMW.

Code compliance is a new topic of national interest, driven by a 90% compliance requirement that was tied to stimulus money given to the states. Compliance is the product of many factors, all of which will be examined in 2011 to chart a course to achieving higher compliance rates. Stakeholders for compliance go far beyond traditional code advocate organizations.

To meet the growing activities in codes and standards, NEEA hired a nationally-recognized appliance standards expert and created a position for a codes engineer in 2011. Following is more detail on the planned initiatives, budget and deliverables for 2011:

<b>Codes and Standards</b>	<b>2011 Budget</b>
Salaries, Related & GA	409,459
Initiatives	1,020,000
Evaluations	120,000
<b>Total Codes and Standards</b>	<b>\$ 1,549,459</b>

<b>Initiative</b>	<b>Budget</b>	<b>Objective/Deliverable</b>
<b>Codes Adoption and Implementation</b>	\$780,000	<ul style="list-style-type: none"> <li>• Trainings expanded to new audiences, including controls contractors and duct installers. Trainings are attended by companies representing a minimum of 25% of professionals in each targeted audience.</li> <li>• Movement toward 3rd party certification in two or more states. Determination of feasibility and next steps, if applicable, documented.</li> <li>• Solidify "Montana Energy Codes Collaborative" stakeholder group by holding at least two</li> </ul>

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		<p>meetings and developing a consensus agenda for 2011-12.</p> <ul style="list-style-type: none"> <li>• Investigate introduction of “quality control” agents working with building officials in at least one state.</li> <li>• Determine areas of low code compliance through qualitative and quantitative research. Address at least two areas with targeted training.</li> <li>• Address at least two of above areas with targeted training.</li> <li>• Get approval for full regional code compliance study to be conducted in 2012/13.</li> <li>• Establish mutually beneficial working relationship with BPA, specifically defining roles and processes for collaboration and communication.</li> </ul>
<b>Appliance and Equipment Adoption Standards</b>	\$240,000	<ul style="list-style-type: none"> <li>• Participate in at least five rulemakings and/ consensus agreement negotiations.</li> <li>• Submit comments on all rulemakings in which we participate</li> <li>• Develop and conduct at least two research projects to support specific rulemakings</li> <li>• Establish mutually beneficial working relationship with BPA, specifically defining roles and processes for collaboration and communication.</li> </ul>

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## Stakeholder Services

### Overview

Stakeholder Services comprises three departments: Evaluation/Market Research; Partner Services; and Corporate Communications. While each of these department has a distinct purpose (described in their respective operations plans), they also share the following collective purposes/goals:

- improve NEEA’s relationships with stakeholders;
- establish NEEA’s value to stakeholders; and
- advance regional collaboration among stakeholders.

By working toward the above goals, Stakeholder Services strengthens NEEA’s position as a critical member of the regional energy efficiency community and strengthens the community itself. By doing so, Stakeholder Services’ work supports NEEA’s purpose of maximizing energy efficiency.

### Stakeholder Relationships

As we head into 2011, NEEA’s relationships with key stakeholders are likely improving due to efforts with Advisory and other regional groups, the pilot of a Partner Relationship Management System, Extensive outreach by Market Operations and Partner Services staff, and other efforts. While they are headed in the right direction, these relationships are still not where they need to be.

The resumption of NEEA’s annual stakeholder perceptions survey in October 2010 will enable NEEA to better understand where we stand with various stakeholder groups, and it will inform

our continued efforts to improve these relationships. In addition, the October 2010 kickoff of a holistic communications system review will result in concrete recommendations for an improved, effective stakeholder engagement system. These recommendations will be implemented in 2011.

#### Establishing Value

While the bulk of NEEA's direct regional value added occurs via the work of the Market Operations and Emerging Technologies business units, it is NOT automatically "given" that those efforts deliver value. The answer to the clichéd philosophical question, "if a tree falls in the woods and nobody knows, did it really fall?" is most certainly "no" in the context of NEEA's accomplishments. If the resultant energy savings cannot be measured and/or if the accomplishments aren't effectively communicated, NEEA's stakeholders will not recognize/perceive them.

In 2010, we came to terms with the reality that much of the excellent work done by the Commercial Sector had not been adequately tracked and/or could not be measured. A robust new initiative adoption and lifecycle process will prevent that situation from occurring again. Meanwhile, other important work in the area of Strategic Energy Management (i.e., CEI, SEMP in hospitals, kWh Crackdown in commercial real estate) is well-defined and tracked, and the evaluation team is on the path toward measuring outcomes and for CEI, toward developing "unit" savings estimates that potentially could be accepted as RTF "deemed" savings. Other key areas of focus will be measurement of market progress from the initiatives that NEEA is depending on to replenish the regional energy efficiency pipeline, including: consumer electronics, ductless heat pumps, states energy codes and national product standards. As always, we will continue ongoing market progress evaluation of all initiatives—current and past.

Also in 2010, we learned that our stakeholders are largely unaware of NEEA's recent accomplishments. In 2011, Corporate Communications will focus on implementing a "reputation plan" to ensure effective communication of NEEA's key accomplishments, while ensuring appropriate credit to the region's utilities. In addition, the evaluation team will work together with Corporate Communications to identify a way to increase the visibility of NEEA evaluations and accomplishments. Partner Services' launch of Conduit and other activities will provide NEEA additional channels for communicating accomplishments.

#### Advancing Regional Collaboration

Over the past two years, stakeholders have openly acknowledged the need and desire for increased regional collaboration. All three Stakeholder Services departments are engaged in advancing regional collaboration.

In 2011, Partner Services will continue to develop the infrastructure for such collaboration via Conduit, an annual energy efficiency conference, and a variety of collaborative workshops, discussions, and training opportunities. In addition, Partner Services will track opportunities for regional coordination and facilitate planning and implementation of such opportunities.

Evaluation and Market Research will continue its regional collaboration efforts via the Northwest Research Group, and will investigate the possibility of assuming a regional role in the collection and tracking of market data. And Corporate Communications will encourage regional collaboration efforts by increasing the overall effectiveness of NEEA's corporate communications, and by increasing communication and public recognition of regional accomplishments.

Internal Situation

Although much progress was made in 2010, Stakeholder Services purpose, value and activities are still not fully understood within NEEA. Internal collaboration and top-notch matrix functioning between all three Stakeholder Services departments and other departments is critical, however, to SS successful accomplishment of goals. In 2011, SS departments will continue efforts to increase internal communication and improve cross-organizational processes.

**Objectives**

Objective	Milestones
Improve stakeholder relationships and perceptions of NEEA, as evidenced by the stakeholder perceptions survey	<ul style="list-style-type: none"> <li>• Complete communications system review in 1Q11; work across other business units to implement recommendations by end of 3Q</li> <li>• Develop robust approach to partner relationship management by end 1Q11, with full deployment by end of 3Q</li> <li>• Complete annual stakeholder perceptions survey and report by year end.</li> <li>• Ensure deployment of SS departmental operations plans, detailed in following sections</li> </ul>
Ensure NEEA value is effectively communicated and clearly perceived by targeted stakeholder audiences, as evidenced by stakeholder perceptions survey as well as other relationship indicators	<ul style="list-style-type: none"> <li>• Collaborate with Market Operations team on logic modeling and MT excellence activities</li> <li>• Collaborate with MarOps to develop cross-organizational process for communications planning/implementation by end 2Q11 (similar to what was accomplished for evaluation planning in 2010).</li> <li>• Ensure deployment of SS departmental operations plans, detailed in following sections</li> </ul>
Stakeholders perceive NEEA as a resource for achieving regional coordination and collaboration that helps them achieve their goals	<ul style="list-style-type: none"> <li>• Ensure deployment of SS departmental operations plans, detailed in following sections</li> </ul>
NEEA staff perceive SS purpose and value, and perceive related business processes as efficient, effective, and transparent.	<ul style="list-style-type: none"> <li>• Department leads offers quarterly information sessions to staff throughout 2011</li> <li>• Department processes are documented, reviewed with other department leads, and readily accessible to all staff by end of 2Q.</li> <li>• Deploy surveys in 4Q10 and 3Q11 to quantify internal staff perceptions</li> </ul>

**Budget**

The 2011 Stakeholder Services budget is \$5,451,976 or 14% of NEEA’s total budget. The 2011 budget represents a 67% increase over 2010 budget. Direct evaluation costs associated with market operations initiatives total \$1,534,000 and are not included in the total stakeholder budget, but rather in the sector budgets. The direct management of these evaluation activities however lies within stakeholder services. The following table shows the budget by department.

<b>Stakeholder Services</b>	<b>2010 Budget</b>	<b>2011 Budget</b>	<b>2011 % of Total Budget</b>
Stakeholder Adm.	277,232	333,434	6%
Evaluation & Regional Studies	1,167,377	2,233,797	41%
Partner Services	866,313	1,654,400	30%
Corporate Communications	950,927	1,230,345	23%
<b>Total Stakeholder Services without direct evaluation</b>	<b>\$ 3,261,849</b>	<b>\$ 5,451,976</b>	
<i>Direct Evaluation costs</i>	<i>\$1,092,000</i>	<i>\$1,534,000</i>	
<b>Total Stakeholder Services with direct evaluation</b>	<b>\$ 4,353,849</b>	<b>\$ 6,985,976</b>	

### ***Evaluation and Regional Studies***

NEEA has a long tradition of objective, third-party evaluation and market research in order to provide its decision makers with sufficient information to achieve the commitments promised to our funders and the region. While these efforts are both distinct and different from utility Measurement and Verification protocols, NEEA data collection, analysis and reporting have also served as a resource to the region's energy efficiency organizations in their efforts to improve their planning and program delivery. The deliverables (to both internal and external audiences) of this department have traditionally fallen into four categories:

1. Evaluation generally entails assessments of market progress and cost-effectiveness assumptions for each funded initiative
2. Regional studies include the delivery of information from primary and secondary research to the region's energy efficiency organizations.
3. Long-Term Monitoring and Tracking assesses the market effects post-NEEA funding. Commonly, the greatest impacts of NEEA involvement are quantifiable only after project implementation is complete and funding has ended.
4. Market Research in support of NEEA market operations. NEEA evaluation and market research staff have either in the role of direct management or internal consultant.

In addition to these categories, 2010 saw the introduction of a new and additional role:

5. Regional Coordination in the role of regional convener and facilitator for the Northwest Research Group (NWRG). This group is composed of interested staff from the region's energy efficiency organizations and regulatory staff. The purpose is to share research results; discuss best practices; and coordinate regional studies.

As a result of the success of NEEA's facilitation of this group, regional stakeholders have suggested that NEEA become a steward and coordinator of market data information (e.g. product sales data) on behalf of energy efficiency organizations in Oregon, Washington, Idaho and Montana. This would be a relatively new role for NEEA very much in line with NEEA's goal of facilitating regional planning and implementation.

Following is detail on the planned initiatives, budget and deliverables for 2011:

<b>Market Research, Evaluation, Regional Studies</b>	<b>2011 Budget</b>
Salaries, Related & GA	558,797
Regional Studies	1,250,000
Initiative Evaluations & Market Research	1,659,000
Long-Term Monitoring & Tracking	300,000
<b>Total MR, Evaluation, Regional Studies</b>	<b>\$ 3,767,797</b>

<b>Initiative</b>	<b>Budget</b>	<b>Objectives/Deliverables</b>
<b>Regional Studies</b>	\$ 1,250,000	<ul style="list-style-type: none"> <li>• Begin data collection for Regional Building Stock Assessment.</li> <li>• Begin stakeholder input for Commercial Building Stock Assessment and Industrial Building Stock Assessment</li> <li>• Initiate scoping activities for “data stewardship” project</li> </ul>
<b>Initiative Evaluation &amp; Market Research</b>	\$1,659,000	<ul style="list-style-type: none"> <li>• Deliver market progress evaluation for each active initiative</li> <li>• Develop a transparent and regionally accepted methodology for estimating energy savings from the Consumer Electronics Initiative</li> <li>• Establish a sound method to evaluate the early-stage progress of the redesigned Commercial Initiatives</li> <li>• Establish a sound method to</li> <li>• evaluate the early-stage progress in new markets for the Industrial Initiative</li> <li>• Develop a robust method to evaluate code compliance.</li> </ul>
<b>Long Term Monitoring and Tracking</b>	\$ 300,000	<ul style="list-style-type: none"> <li>• Assist in the full integration of previously funded projects into sector planning.</li> <li>• Deliver 2010 LTMT report and initiate 2011 evaluation activities</li> </ul>
<b>Continuous Improvement &amp; Regional Coordination</b>	n/a	<ul style="list-style-type: none"> <li>• NEEA MarOps and ET staff perceive evaluation/market research as a key resource to helping them achieve program success</li> <li>• Establish evaluation review committee by end of 1Q11.</li> <li>• Coordinate NEEA research planning with other NW energy efficiency organizations</li> <li>• Continue facilitation of Northwest Research Group</li> </ul>

### **Partner Services**

NEEA is in a unique position within the Northwest to provide “Regional Advantage” via shared resources, knowledge aggregation and synthesis, convening and collaboration, and providing

an independent perspective (Source: NEEA Brand Pillars). Partner Services seeks to deliver on NEEA's promise of Regional Advantage by fostering and facilitating information sharing, coordination, and collaboration amongst stakeholders as well as between stakeholders and NEEA. The overall goal of Partner Services is to support Northwest utilities and other energy efficiency (EE) organizations in achieving their energy efficiency goals. It is only by strengthening relationships and putting collaboration to work, that energy efficiency can be maximized in the Northwest.

Partner Services was established as a business unit within NEEA in 2010. The focus of efforts to date have been on the development of an Online Community (Conduit), and planning a regional energy efficiency conference.

<b>Partner Services</b>	<b>2011 Budget</b>
Salaries, Related & GA	502,032
Conferences, Training, Events	385,000
Regional Resources	413,368
Regional Coordination Initiatives	354,000
<b>Total Partner Services</b>	<b>\$ 1,654,400</b>

<b>Initiative</b>	<b>Budget</b>	<b>Key Objectives</b>
<b>Conferences, Training, Events</b>	\$385,000	<ul style="list-style-type: none"> <li>• Deliver 2<sup>nd</sup> annual regional ee conference</li> <li>• Two to three collaborative workshops or meetings to tackle specific issues or challenges to the region</li> <li>• Deliver utility learning/education program, per plan</li> </ul>
<b>Regional Resources</b>	\$413,368	<ul style="list-style-type: none"> <li>• Conduit: launch Conduit and meet overall growth and usage goals</li> <li>• Assess/pilot a Benchmarking offering/service</li> </ul>
<b>Regional Coordination Initiatives</b>	\$354,000	<ul style="list-style-type: none"> <li>• Identify, facilitate and potentially project manage 2 to 3 "regional coordination projects."</li> <li>• Develop regional messaging platform via the regional marketing coordinating council</li> </ul>
<b>Stakeholder Relationships</b>	n/a	<ul style="list-style-type: none"> <li>• Develop stakeholder outreach program for small/rural utilities</li> </ul>

### **Corporate Communications**

From a corporate communications perspective, we are entering 2011 with a strong foundation from which to build. Based on recent research, NEEA is considered trusted and credible by its stakeholder base. It has also made strides in increasing transparency, accountability, and stakeholder engagement. Our unique value is more understood and embraced. We have dramatically improved our funder reporting but work needs to be done on ensuring the right information is getting to the right people in a timely manner. The focus will be on reversing the ongoing perceptions issues

with NEEA to help ensure long-term viability with an increased focus on strategic communications. Ultimately, this will help facilitate NEEA’s ongoing renewal.

NEEA’s plans for 2011 will continue to focus on supporting its 2010-2014 Business and Strategic Plan while focusing its activities to address key recommendations from its Brand Assessment and Communications Systems Review that will be finalized early next year. Specifically, this department will be focused on:

1. Effective stakeholder communications
2. Stewarding the NEEA brand
3. Effectively communicating results and reports
4. Serving as a communications resource for staff, contractors and funders

<b>Corporate Communications</b>	<b>2011 Budget</b>
Salaries, Related & GA	363,620
Corporate Communications	866,725
<b>Total Corporate Communications</b>	<b>\$ 1,230,345</b>

<b>Key Objective</b>	<b>Deliverables/Results</b>
<b>Effective Stakeholder Communications</b>	<ul style="list-style-type: none"> <li>• By end of Q3, working in close coordination with other key NEEA departments, implement the recommendations from the Communications Systems Review that are pertinent to corporate marketing and communications</li> <li>• By end of Q3, ensure neea.org and other key collateral are effectively communicating NEEA value and results</li> <li>• By end of Q2, ensure a seamless list management system and strategy for managing more targeted stakeholder communications</li> </ul>
<b>Steward the NEEA Brand to ensure stakeholder satisfaction, perception/understanding of value, and NEEA Leadership</b>	<ul style="list-style-type: none"> <li>• Recognize and demonstrate leadership/vision of our funders as evidenced by 4 regional stories, 1 national story, and 1 regional op ed by end of year with funder recognition, including funder acknowledgement of the value of this effort.</li> <li>• CC resources enable NEEA staff to effectively communicate NEEA value and accomplishments</li> <li>• Build funder and contractor “ownership” of NEEA brand.; they see the brand as helpful to advancing their own objectives.</li> </ul>
<b>Improve Results Communications/ Reporting</b>	<ul style="list-style-type: none"> <li>• By July 30, deliver a best-in-class NEEA Annual Report to the NEEA Board and Stakeholders that meet their criteria while clearly highlighting our unique value (i.e. brand DNA) through stories</li> <li>• Deliver effective NEEA Quarterly Performance Reports to the NEEA Board and stakeholders</li> <li>• Implement integrated annual reporting for 13 individual funders that meets their individual</li> </ul>

	reporting needs.
<b>Resource to staff, contractors, and funders</b>	<ul style="list-style-type: none"> <li>• Integrate CC with initiative communications strategy and planning</li> <li>• Create quarterly packaged NEEA story updates, messages, and provide to staff so they can integrate into their various communications to stakeholders</li> <li>• Support Claire and Directors on creation of slides and speeches.</li> <li>• Ensure corp communications materials are available to staff and funders</li> </ul>

## Executive Office

### Overview

The Executive Director oversees strategy and activities of the organization to assure adherence and fulfillment of mission, strength and health of the organization and connection to and communication with the stakeholders, particularly its Board of Directors. External stakeholder and Board outreach is coordinated from this unit, including oversight of utility regulatory commission contact, state energy office outreach and national and regional efficiency organization relations.

2011 areas of focus include:

- Strengthened support for NEEA through Board oversight and national/regional organization engagement to meet business plan objectives.
- Long term viability of NEEA through development of natural gas market transformation role, clarification and practice of NEEA's policy framework, deepened DOE funding and role, strengthened account management structure, development and implementation of NEEA risk management policy and protocols, and alignment of NEEA success metrics with funder/regional expectations.
- Broaden support for energy efficiency market transformation through greater intellectual engagement with the regional and national organizations.

### Objectives

Initiatives	Objectives/Deliverables
<b>Strengthened support for NEEA</b>	<ul style="list-style-type: none"> <li>▪ Successful completion of four Board meetings.</li> <li>▪ Increased engagement with regional/national organizations such as CEE, EPRI, IEE, ECW, ACEEE nationally and regular engagement regionally with PPC, NWPCC, PNUCC to build leverage and add value for the region.</li> <li>▪ Enhanced innovation.</li> <li>▪ Increased regional collaboration through the establishment of account management communication structure to engage funders/stakeholders.</li> </ul>

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**Long term viability for NEEA**

- Development and implementation of NEEA risk management policy and protocols.
- Diversification of funding with addition of natural gas efficiency role.
- Deepened relationship/role with DOE/PNNL resulting in stronger Federal funding, partnerships and regional value delivery.
- Clarification and practice of NEEA's policy role resulting in stronger regional policy/regulatory framework for EE market transformation.
- Implementation of succession plan, strengthened by HR/compensation planning to maintain strong, vibrant.
- Training and organizational development for all employees to elevate competencies and maintain NEEA culture throughout the organization

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***Broad support for EE market transformation***

- Greater alignment of NEEA success metrics with funder/regional expectations.
  - Strong policy/regulatory.
  - Greater intellectual engagement regionally and nationally by participation in processes and speaking engagements/presentation of papers, etc.
  - Publication/awareness of NEEA results and processes.
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***Budget***

The 2011 budget is \$990,449, or 3% of NEEA's total budget. This budget represents a 43% increase over 2010 budget. The primary driver of the increase is the \$100,000 sponsorship of the Consortium for Energy Efficiency transferred from market operations. The balance of the increase results from a full year of policy advocate salary, the addition of a staff person for special projects and consultative engagements, such as for risk management.

**Business Operations*****Overview***

Business operations comprises four departments: Business Planning, Business Services, Information Technology, and Shared Services. The overarching goal of these departments is to support NEEA in maximizing strategic results through:

- Anticipating business needs
- Providing timely solutions
- Equipping people to do their best
- Excellence in all we do

The imperatives by which the departments operate include:

- Build a solid infrastructure and business processes
- Sound fiscal management
- Attract, retain and develop people

2010 was focused on large infrastructure projects including an office move, numerous technology upgrades, and supporting a significant growth in staffing. In addition, progress was made in process improvement and reporting standardization.

Focus will continue in 2011 primarily in the areas of process improvement and reporting standardization, as well as some infrastructure upgrades such as the implementation of SharePoint. A critical area of focus for business operations will be to ensure that operations are prepared for a planned management audit in 2012. In addition, more emphasis will be placed on building staff capabilities and supporting effective integration of new staff.

### ***Budget***

The 2011 Business operations budget is \$3,835,759 or 10% of NEEA's total budget. The 2011 budget represents no increase over 2010, and it is a smaller relative share of NEEA's total budget than the prior year. The following table shows the budget by department.

<b>Business Operations</b>	<b>2010 Budget</b>	<b>2011 Budget</b>	<b>2011 % of Total Budget</b>
Business Planning	\$ 617,709	\$ 864,560	23%
Business Services	\$ 1,065,789	\$ 1,214,961	32%
Shared Expenses	\$ 951,341	\$ 554,932	14%
Info Technology	\$ 1,190,041	\$ 1,201,306	31%
<b>Total Business Operations</b>	<b>\$ 3,824,880</b>	<b>\$ 3,835,759</b>	

### ***Business Planning***

NEEA's Business Planning unit comprises the following areas: Strategic and Business Planning, Business Development, and Cost Effectiveness and Savings analysis and reporting support.

NEEA's Business Planning unit is responsible for the environmental scanning process (internal and external) as part of Strategic Planning function to identify trends that may impact NEEA or be opportunities to pursue. NEEA strives to remain strategic in its thinking and actions, and be in a position to proactively respond, versus be in a reactive state.

Another key role is one of support to the Emerging Technologies, Market Planning and Operations, and Partner Services business units. Business Planning provides the Cost Effectiveness modeling framework, predicated on long-run savings forecasts, and analytical support for Market, Initiative and

Programmatic decision making. In 2011, there will be a significantly increased need in modeling support for three main reasons: 1) increased model development as the initiative lifecycle process and portfolio management system are further refined, 2) increased scrutiny of assumptions as savings are tracked against performance objectives within the Portfolio Management system, and 3) increased funder reporting needs.

Key initiatives and deliverables in 2011 are as follows.

<b>Initiative</b>	<b>Objective/Deliverable</b>
Annual Savings Report	Documented and approved assumptions and resulting savings and cost-effectiveness for initiatives in the portfolio.
Quarterly Savings Report	Structured process and documentation for quarterly savings reporting.
Create or amend 9 ACE models	Fully vetted and documented ACE models for the following initiatives: Updated Food Processing Initiative Small/Medium Business Manufacturing Updated Existing Building Renewal Updated Commercial Real Estate Commercial Lighting Templates Business IT Updated Efficient Homes Heat Pump Water Heater Commercial Codes (integrated in the appropriate Commercial model with explicitly reported codes' savings)
Cost-Effectiveness Committee Meetings	Quarterly Meeting to Review Savings Assumptions (in accordance with the Annual and Quarterly Savings Reporting process). Interim meeting and webinars to introduce new ACE models, and modeling and reporting policy

### ***Business Services and Shared Expenses***

NEEA's business operations unit is comprised of the following functional areas: Human Resources, Finance/Accounting, Legal and Contracts Administration, Facilities, and Office Management/Administration and Supplies. Business services is being challenged not only to provide services to a substantially larger staff, but also fundamentally adding new levels of support.

NEEA is committed to efficient and effective business processes, practices, and systems. At the same time, NEEA has historically kept its operating expenses low and plans to continue this trend.

NEEA has 56 employees as of September 2010 (compared to 40 employees in September 2009) and is expected to grow to 60 by year end. In 2011, NEEA's employee count is estimated to be 75. Additionally, NEEA actively funds and manages over 200 implementation, evaluation and market research contractors who

work on NEEA's behalf to carry out its goals. Supporting this staff increase and contractor base requires efficient processes, streamlined systems, and effective and knowledgeable staff. In 2011, Business services will solidify, hone, and maximize the tremendous infrastructure growth to support the organization's goals.

**Human Resources** -In the area of Human Resources, Business Services will approach staffing challenges by working with Directors/Managers to clearly understand business requirements and addressing them thoughtfully, using a mix of full-time, part-time, contracting, or internship programs. To support this varied staff, and align policies and practices with NEEA values, a thorough review and revision to the Employee Manual is planned, as well as solidifying HR processes, implementing a responsive Professional Development program, complying with new and existing federal guidelines for organizations with 50+ employees, and further ensuring that NEEA's benefits programs are balancing work and life needs in a financially responsible way. Infrastructure improvements including an HRIS system are also planned.

**Finance/Accounting** – The Finance section will work closely with the organization to develop meaningful reporting for the Focus/Initiatives. NEEA's more complex financial capabilities will be integrated at key points through SharePoint and dashboard tools. Additionally, Finance/Accounting will carry out its fiduciary responsibilities through a thoughtful investment strategy.

**Contracting/Legal/Processes** – Key objectives including establishment of a contractor database, electronic document handling and financial integration will require continued diligence and development in 2011. The number of contracts has increased by approximately 40% to support NEEA's initiatives, and Process/Contracting staff will work jointly with IT to leverage SharePoint's capabilities to increase document management efficiency. Other strategies, such as implementation of a Purchase Order process, aim to balance risk and efficiency to support NEEA's goals.

**Facilities Management** – Securing office space that provides a productive, sustainable and satisfying workspace for NEEA's staff was concluded in 2011, but the Facilities staff will continue to assist staff settle into our new office in the Commonwealth building. NEEA is proud that this office promotes NEEA's programs and values, and will continue to develop this tool to model the benefits of energy efficiency to the public, while remaining a productive work environment that enhances collaboration.

**Sustainability** – In 2009 NEEA's Board of Directors adopted NEEA's 2010-2014 Strategic and Business Plan, which included a clarified mission and core business values that call for NEEA to "walk the talk" in regards to sustainability and energy efficiency. NEEA analyzed its current carbon impact and sustainability performance and used these findings to create informed five-year sustainability goals. NEEA has set these aggressive 5-year goals to help the organization become carbon neutral, achieve its goal of walking the talk and help NEEA achieve its mission—to mobilize the Northwest to become increasingly energy efficient for a sustainable future.

To support of the five year goals, in 2011 the sustainability team will focus on developing meaningful sustainability metrics for the organization as well as integrating sustainability into our vendor rating system. This will be supported by an intern sourced through the Community Environmental Services (CES) group at Portland State University. Using this resource base, NEEA not only achieves its internal objectives, it also enables the market place with seasoned post-graduates and leverages the knowledgeable staff of CES.

Finally, the team will look to offset internal costs where sustainability is concerned. For example an equipment purchase that may not make sense for purely financial reasons. But, much like the incentives in the energy efficiency market, a small cash infusion may tip the balance to the more sustainable solution.

Each of these activities is intended to move the organization toward its stated reduction goals of CO2/employee.

Key initiatives and deliverables in 2011 are as follows.

<b>Initiative</b>	<b>Objective/Deliverable</b>
Revise/update Employee Manual and human resources policies to meet new organizational structure and needs and reflects NEEA values	Updated Employee Manual that clearly messages NEEA's policies and is a valuable reference tool for employees
Design/implement managerial reporting and dashboards for enhanced decision making	Integrate financial data and electronic document management into business processes primarily through the organizational rollout of SharePoint.
Implement a purchase order system for defined services or transactions	Positively impact productivity and at the same time manage business risk for nearly 50% of NEEA contracting transactions

### ***Information Technology***

In 2010, NEEA's Information Technology (IT) department began a period of significant change and infrastructure build out. These activities were called out in the 2010 Operations Plan which spoke to the fact NEEA is a *data-driven* organization with significantly changing and increasing technical needs.

Many of the efforts started in 2010 will carry over and complete in 2011. In 2010 additional IT staff were hired and groundwork laid with business benefits largely due to be delivered in 2011. At the end of the 2011 NEEA will have a technical environment capable of meeting the core technology needs of the organization as well as flexible reporting capabilities that will enable a more fact-based management and decision making process.

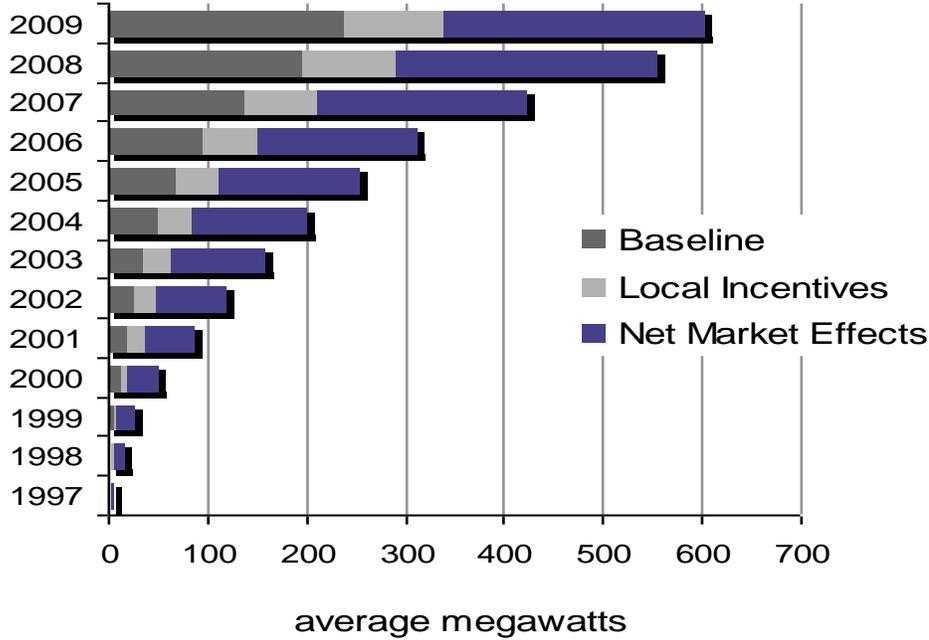
In its discussion of growth over the current funding cycle, the NEEA Business Plan describes the organization's first phase of growth as "...build a solid structure, infrastructure foundation, and management processes which allow for effective growth, flexibility and rapid response to regional needs" (NEEA 2010-2014 Business Plan, page 64). The overarching IT goal for 2011 is to complete this task.

Key initiatives and deliverables in 2011 are as follows.

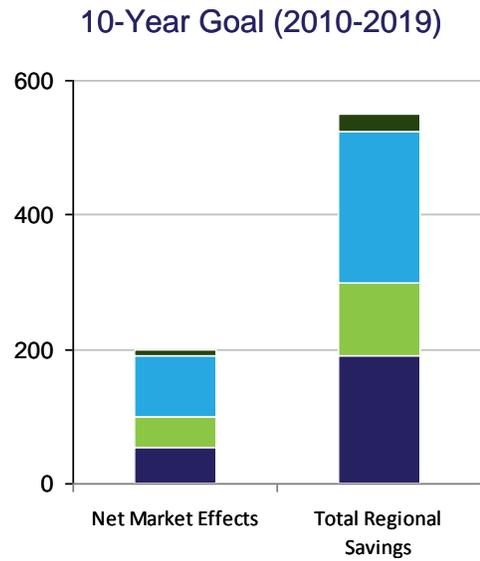
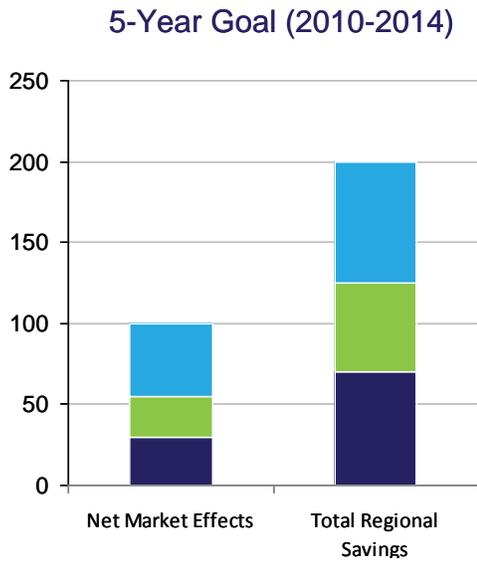
<b>Initiative</b>	<b>Objective/Deliverable</b>
<b>Robust Reporting Capabilities:</b>	
Complete the report capabilities build out	MS Reporting Services operational for Finance/Accounting SharePoint used as reporting tool for first organizational metrics
Inform staff of new reporting capabilities	Training/Info session to interested staff on reporting capabilities Quarterly follow-ups
<b>SharePoint Deployment:</b>	
Complete the initial SharePoint deployment	Complete at least six rollout iterations delivering new business value (details TBD)
Increase the general awareness around and adoption of SharePoint	Provide at least 6 SharePoint brown bags or other training opportunity for general staff
<b>Tracking System Needs/Solution Verification:</b>	
Document key system tracking needs	Documented and sector-verified list of key business needs
Assess existing solution per business needs	Determination if the existing Tracking System or other tool best meets the business needs
Determine course of future action	Plan of action for 2012
<b>World Class Customer Support:</b>	
Deliver and report on customer service metrics	Quarterly report on total number of support requests, percent responded to in 4 business hours, percent completed in 1 business day.
Provide metrics on IT infrastructure	Quarterly report showing, at minimum, email volume, virus/spam volume, data bandwidth
<b>Technical Infrastructure Effectiveness and Ease of Use:</b>	
Provide a greater level of staff familiarization and training on how best to use NEEA's technical capabilities.	In addition to SharePoint brown bags above, provide at least 6 IT brown bags and 12 IT clinics.
<b>General Goals:</b>	
Prepare for the 2012 Management Audit	IT Best Practices in Place
Increase level of Documentation and Information Sharing among the IT Team	Fully documented practices, procedures and checklists
Revise IT Strategic Plan	Revised and approved document

# Appendix One- Energy Savings

## 5 and 10 Year Energy Savings Goals



## 5 and 10 Year Energy Savings Goals



- Emerging Technology
- Residential
- Industrial
- Commercial

**Net Market Effects** - associated with market change and not counted as baseline or local incentives

**Total Regional Savings** - associated with all market change

## NEEA Cycle 4 annual aMW Savings Targets by Sector

### Total Regional Savings

Sector	2010	2011	2012	2013	2014
<b>Residential</b>	10.3	17.1	22.3	25.3	33.0
<i>Cumulative</i>	10.3	27.5	49.8	75.1	108.0
<b>Commercial</b>	3.8	7.9	11.5	18.7	24.4
<i>Cumulative</i>	3.8	11.7	23.1	41.9	66.2
<b>Industrial</b>	1.4	2.5	5.2	7.6	12.3
<i>Cumulative</i>	1.4	3.9	9.0	16.6	28.9
<b>Total Savings*</b>	15.6	27.4	38.9	51.6	69.6
<i>Cumulative</i>	15.6	43.0	81.9	133.5	203.2
<b>Codes and Standards</b>	0.0	3.9	7.7	7.8	9.6
<i>Cumulative</i>	0.0	3.9	11.6	19.4	29.0

### Net Market Effects Savings

Sector	2010	2011	2012	2013	2014
<b>Residential</b>	4.4	6.7	8.9	10.3	12.4
<i>Cumulative</i>	4.4	11.1	20.0	30.3	42.7
<b>Commercial</b>	1.7	3.1	3.6	4.1	5.7
<i>Cumulative</i>	1.7	4.8	8.4	12.5	18.2
<b>Industrial</b>	0.7	1.2	2.6	3.8	6.2
<i>Cumulative</i>	0.7	1.9	4.5	8.3	14.5
<b>Total Savings*</b>	6.8	11.0	15.1	18.2	24.3
<i>Cumulative**</i>	6.8	17.8	32.9	51.1	75.4
<b>Codes and Standards</b>	0.0	0.9	1.8	1.8	2.2
<i>Cumulative</i>	0.0	0.9	2.7	4.5	6.8

Please Note:

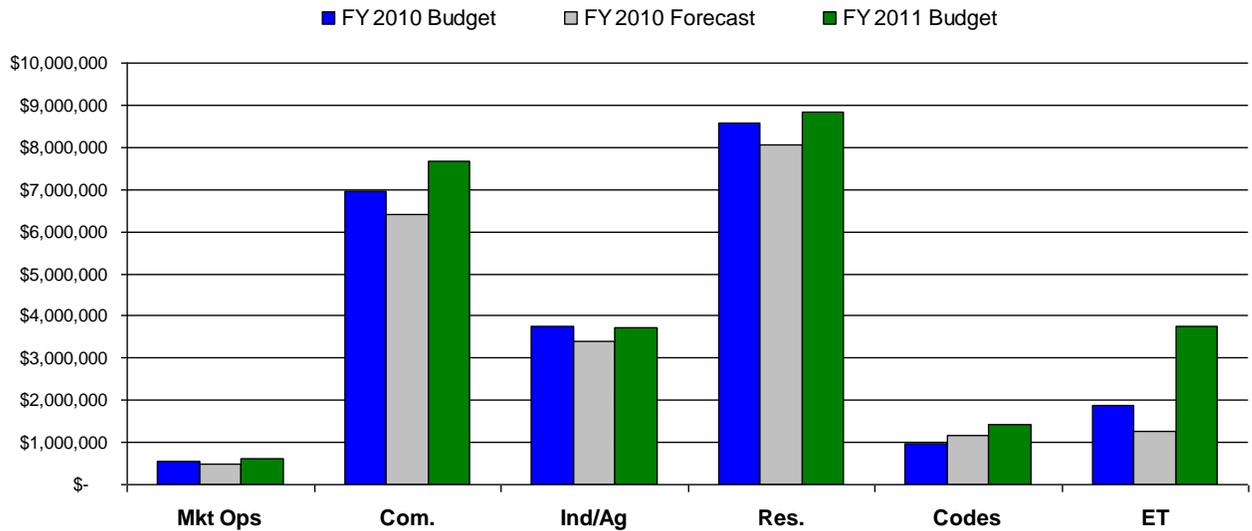
\*All savings are reflected in Sectors. Codes and Standards savings provided for reference.

\*\* Business Plan Commitment is to deliver 100 aMW of Net Market Effects by 2014. This will be an area of focus for Market Operations in 2011.

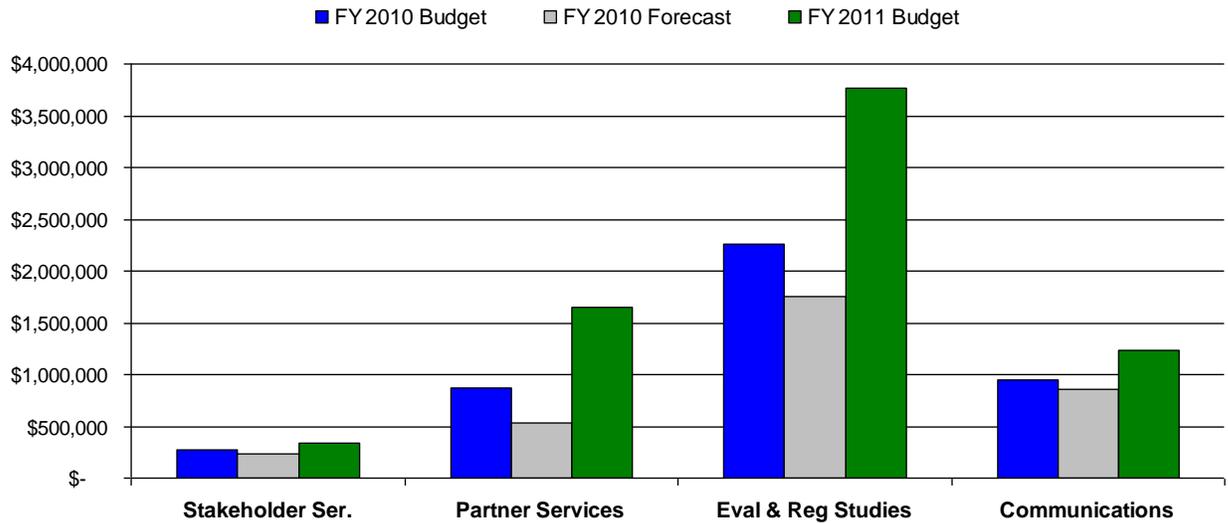
## Appendix Two – Financials

### *Budgets vs. Forecasted Actual*

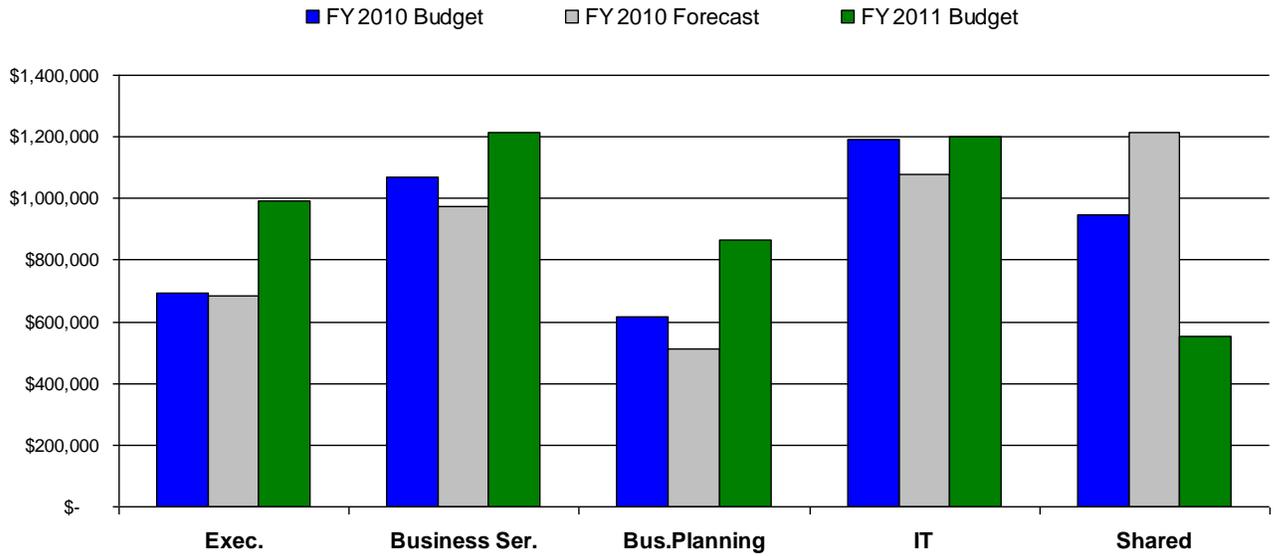
#### Market Operations and Emerging Technology Budgets vs. Forecasted Actual



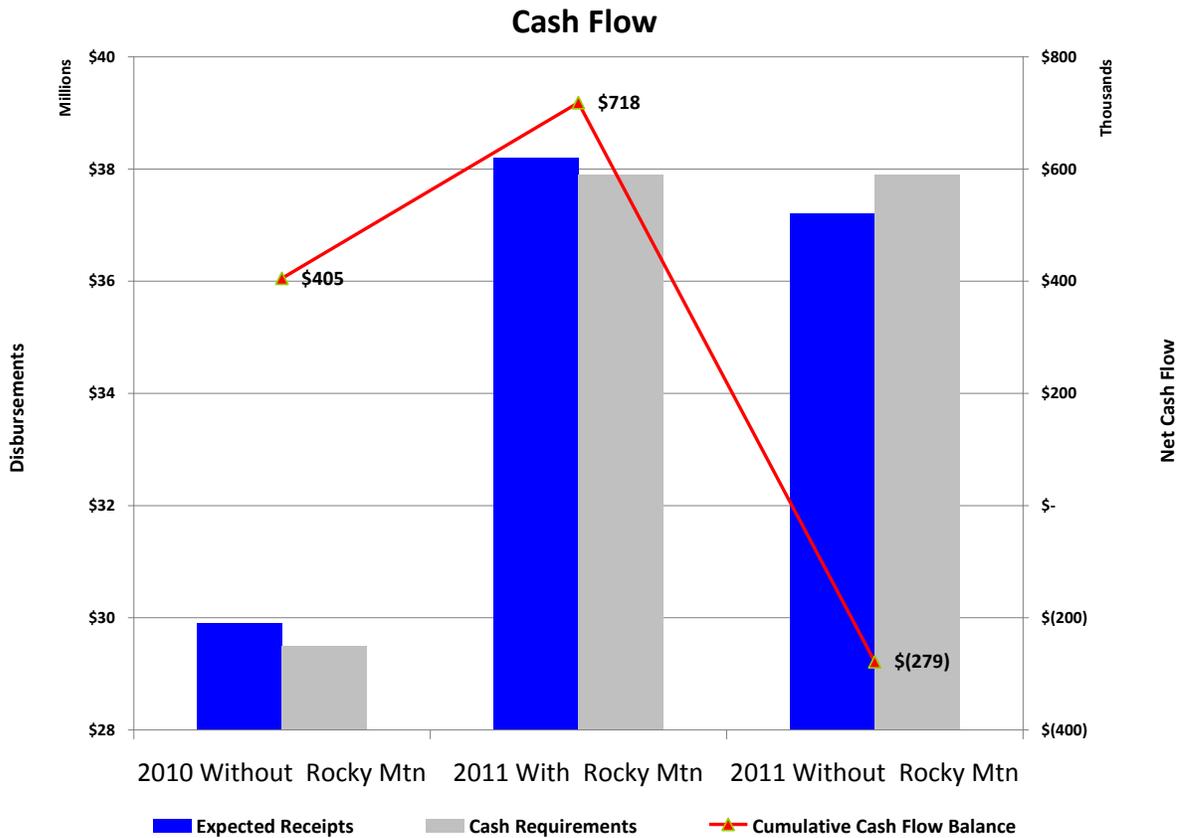
#### Stakeholder Services Budgets vs. Forecasted Actual



## Executive and Business Operations Services Budgets vs. Forecasted Actual



## 2010 and 2011 Cash Flow



***2011 Budget by Cost Center – Attachment to the summary plan***

## 2011 Budget by Cost Center – Attachment to the summary plan

Description	Exec Admin	Market Ops	Commercial	Industrial	Residential	Codes	Eval & Reg Studies	Stakeholder Services	Partner Services	Communications	Emerging Tech	Business Services	Corporate Planning	Information Technology	Shared	Total
Salaries and Related	\$ 611,938	\$ 529,237	\$ 1,034,247	\$ 671,894	\$ 711,380	\$ 349,709	\$ 516,122	\$ 296,634	\$ 437,232	\$ 285,214	\$ 535,119	\$ 804,323	\$ 750,210	\$ 566,827		\$ 8,100,087
General Administration	\$ 378,511	\$ 78,540	\$ 107,990	\$ 83,200	\$ 66,150	\$ 59,750	\$ 42,675	\$ 36,800	\$ 64,800	\$ 78,406	\$ 139,440	\$ 410,638	\$ 114,350	\$ 634,479	\$ 554,932	\$ 2,850,661
Corporate Communications										\$ 866,725						\$ 866,725
<b>Total Operations</b>	<b>\$ 990,449</b>	<b>\$ 607,777</b>	<b>\$ 1,142,237</b>	<b>\$ 755,094</b>	<b>\$ 777,530</b>	<b>\$ 409,459</b>	<b>\$ 558,797</b>	<b>\$ 333,434</b>	<b>\$ 502,032</b>	<b>\$ 1,230,345</b>	<b>\$ 674,559</b>	<b>\$ 1,214,961</b>	<b>\$ 864,560</b>	<b>\$ 1,201,306</b>	<b>\$ 554,932</b>	<b>\$ 11,817,473</b>
<b>Direct Costs</b>																
Other Program General			-	-	-	-	400,000		-		250,000					\$ 650,000
Agriculture General			-	275,000	-	-	-		-		-					\$ 275,000
Codes General			-	-	-	1,020,000	120,000		-		-					\$ 1,140,000
Commercial Building Operations			-	-	-	-	-		-		50,004					\$ 50,004
Commercial Business IT			1,830,000	-	-	-	-		-		-					\$ 1,830,000
Commercial Commercial Lighting Templates			980,000	-	-	-	-		-		-					\$ 980,000
Commercial Existing Building Renewal			1,258,900	-	-	-	120,000		-		450,000					\$ 1,828,900
Commercial General			430,000	-	-	-	245,000		-		290,004					\$ 965,004
Commercial Hospitals & Healthcare			237,000	-	-	-	20,000		-		-					\$ 257,000
Commercial New Building Design			772,600	-	-	-	80,000		-		-					\$ 852,600
Commercial Office Real Estate			1,007,412	-	-	-	120,000		-		-					\$ 1,127,412
Industrial Food Processor Market Transformation			-	790,000	-	-	68,000		-		-					\$ 858,000
Industrial General			-	315,000	-	-	167,000		-		350,000					\$ 832,000
Industrial Green Pumps			-	-	-	-	-		-		249,996					\$ 249,996
Industrial Small/Medium Business Market Transformation			-	1,200,000	-	-	120,000		-		-					\$ 1,320,000
Industrial Technical Training & Education			-	400,000	-	-	-		-		-					\$ 400,000
Partner Services Conferences			-	-	-	-	-		230,000		-					\$ 230,000
Partner Services Facilitation			-	-	-	-	-		24,000		-					\$ 24,000
Partner Services General			-	-	-	-	25,000		250,000		-					\$ 275,000
Partner Services Online Community			-	-	-	-	-		193,368		-					\$ 193,368
Partner Services Project Management			-	-	-	-	-		300,000		-					\$ 300,000
Partner Services Training			-	-	-	-	-		155,000		-					\$ 155,000
Residential Certified Homes Programs			-	-	1,800,000	-	143,000		-		-					\$ 1,943,000
Residential Consumer Electronic - General			-	-	1,665,000	-	-		-		-					\$ 1,665,000
Residential Consumer Electronics - Desktop Monitors			-	-	-	-	15,000		-		-					\$ 15,000
Residential Consumer Electronics - Desktop PCs			-	-	400,000	-	60,000		-		-					\$ 460,000
Residential Consumer Electronics - Televisions			-	-	3,000,000	-	146,000		-		-					\$ 3,146,000
Residential Ductless Heat Pumps			-	-	1,000,000	-	130,000		-		-					\$ 1,130,000
Residential General			-	-	125,000	-	1,200,000		-		274,996					\$ 1,599,996
Residential Heat Pump Water Heaters			-	-	-	-	20,000		-		1,100,001					\$ 1,120,001
Residential Lighting			-	-	30,000	-	-		-		24,996					\$ 54,996
Residential Top Ten			-	-	50,000	-	10,000		-		50,004					\$ 110,004
<b>Total Direct Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,515,912</b>	<b>\$ 2,980,000</b>	<b>\$ 8,070,000</b>	<b>\$ 1,020,000</b>	<b>\$ 3,209,000</b>	<b>\$ -</b>	<b>\$ 1,152,368</b>	<b>\$ -</b>	<b>\$ 3,090,001</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,037,281</b>
<b>Grand Total - 2011 Budget</b>	<b>\$ 990,449</b>	<b>\$ 607,777</b>	<b>\$ 7,658,149</b>	<b>\$ 3,735,094</b>	<b>\$ 8,847,530</b>	<b>\$ 1,429,459</b>	<b>\$ 3,767,797</b>	<b>\$ 333,434</b>	<b>\$ 1,654,400</b>	<b>\$ 1,230,345</b>	<b>\$ 3,764,560</b>	<b>\$ 1,214,961</b>	<b>\$ 864,560</b>	<b>\$ 1,201,306</b>	<b>\$ 554,932</b>	<b>\$ 37,854,754</b>