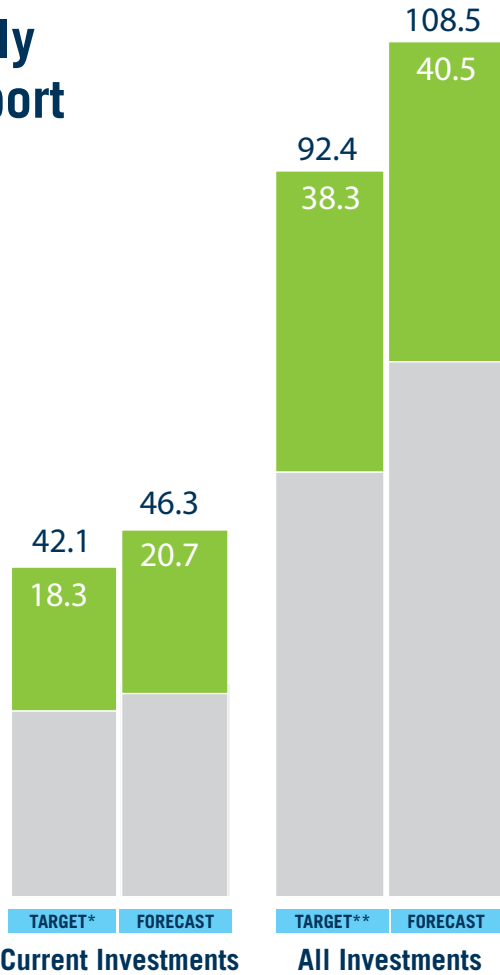




Q1 2013 Quarterly Performance Report

2013 Total Regional Savings (aMW)

- Co-Created Savings
- Baseline



TOTAL REGIONAL	CO-CREATED	Current Investments		All Investments	
		Target*	Forecast	Target**	Forecast
Net Market Effects		13.6	16.9	25.2	27.4
Local Programs		4.7	3.8	13.1	13.1
Baseline		23.8	25.6	54.1	68.0

Quarterly Performance Highlights

Filling the Pipeline

- Initiated lab-testing of a combination heat pump water heater /ductless heat pump system. This emerging technology, which was developed at NEEA's request by a large manufacturer, is a direct result of NEEA's market influence and strong history of success with the DHP initiative.
- Reviewed ten unsolicited proposals for emerging technologies to ensure a continuous pipeline of energy saving opportunities for the region. NEEA is continuing to investigate three proposals that represent promising energy saving opportunities for the region.
- Launched research effort with Pacific Northwest National Laboratories to study non-invasive load-monitoring systems designed to lower residential energy measurement and verification costs. Improved ability to capture energy-use data will support efficiency efforts across the region.

Accelerating Market Adoption

- Successfully piloted two new approaches to increase market adoption of ductless heat pumps. A pilot with EWEB lowered marketing costs to contractors by targeting potential customers via direct mail and decreased costs to customers by negotiating volume pricing with distributors. A pilot with Mitsubishi, Home Depot and Puget Sound utilities increased customer awareness and demand for DHPs by creating opportunities for in-store interaction with master installers and enhancing product displays.

- Engaged six leading commercial real estate firms in Washington, Oregon and Idaho to accelerate adoption of Strategic Energy Management within the commercial real estate industry. Participating firms, representing approximately eight million square feet of commercial space, are establishing an energy reduction goal, allocating resources, and implementing action plans.
- Gained commitment from farmers for five agricultural demonstration sites around the region. Demonstrations will test viability, user acceptance and energy savings associated with advanced irrigation decision-support technology.

Regional Advantage

- Used the combined market power of Northwest utilities and California to influence retailers to stock most-efficient televisions and manufacturers to prioritize efficiency. As a result of these efforts, 2012 market share of qualifying televisions reached 47 percent. Furthermore, qualifying televisions sold in 2012 were over 15 percent more efficient than in 2011.
- Finalized agreement with Portland General Electric to make its existing energy efficiency training available to Northwest utilities and their customers.

Long-term Value

- Updated savings forecast for previously funded initiatives. Clothes Washers, CFLs, Drive Power and others forecast to deliver 62.2 aMW of Total Regional Savings in 2013 (57% of All Investment savings).

* 3.1aMW removed from Operations Plan target, as this was associated with standards not directly influenced by neea work. These results will be tracked separately

** Total Regional Savings target increased 9.7 aMW over 2013 Operations Plan due to a correction of a CFL modeling error

Q1 2013 NEEA Quarterly Performance Scorecard



Value Delivery Metrics

Emerging Technology 20-Year Pipeline (aMW)	TARGET	FORECAST	ACTUAL	STATUS
Regional Potential in Process	1200	1431	N/A	●
Readied for Market 2010 - 2014	300	298	18.4	▲
Accelerating Market Adoption/Regional Advantage	TARGET	ACTUAL		STATUS
Expanding Market Knowledge and Capability ⁱ				
Education/Knowledge Transfer (people trained YTD)	TBD	921		N/A
Skills Training (people trained YTD)	TBD	216		N/A
Additional Regional Investment Secured (\$millions) YTD	N/A	\$0.15		N/A
Energy Savings (aMW)	TARGET	FORECAST	ACTUAL	STATUS
2013 Energy Savings from Current Investments				
Total Regional	42.1	46.3	June 2014	●
Net Market	13.6	16.9	June 2014	●
Co-created	18.3	20.7	June 2014	●
2010- 2014 Business Plan - Current Investments	TARGET	FORECAST	ACTUAL ⁱⁱ	STATUS
5-year aMW savings (2010-2014)				
Total Regional	200	215	60.4	●
Net Market	100	76	26.1	●
Co-created	N/A	96	35	N/A
10-year Total Regional Savings aMW (2010-2019)	550	483	60.4	▲

Operational Metrics

YTD Financial Metrics (General Funds Only ⁱⁱⁱ)	TARGET	FORECAST	ACTUAL	STATUS
Levelized Total Resource Cost (\$/kWh)	\$0.035	N/A	\$0.021	●
Current Quarter Expenses (\$millions)	\$10.7	\$10.7	\$9.2	●
Full Year Expenses (\$millions)	\$41.4	\$41.4	\$9.2	●
Emerging Tech/Development Expenses (% of total exp)	N/A	N/A	26%	N/A
Business Administration Expenses (% of total exp)	<11%	10%	9.5%	●
Other Operational Metrics	TARGET	FORECAST	ACTUAL	STATUS
Carbon Impact Per Employee, MT (2010-2014)	2.75	3.2	0.81	●
Employee Turnover (trailing 12 months %)	<10%	NA	8.7%	●

i - Refined metric that measures outcomes is under development

ii- Validated Savings for 2010-2011 only

iii - YTD excludes \$88K in Special Funds;

Quarterly Performance Scorecard

NEEA's quarterly scorecard reports performance toward long-term value delivery targets and other key metrics. Please see 'NEEA Definitions' on page 6 for descriptions of individual metrics.

Reasons for Target Variance:

Emerging Technology Pipeline:

▲ NEEA is forecasting to deliver an estimated 298 aMW in market-ready savings by 2014. This forecast has been revised downward from Q4 2012 (was 367 aMW). Forecast was reduced due to a change in the timeline for the anticipated federal heat pump water heater standard.

Status (forecast vs. target): Green ≥ 100%; Yellow ≥ 80 and <100%; Red < 80

Energy Savings:

● NEEA's 5- year energy savings forecast has increased slightly since Q4 2012. However, it is not anticipated that NEEA will meet its 5-year Net Market Effects target. As stated in previous quarters, this shortfall is due to insufficient emerging technology investment in previous business cycles and a decision by the portfolio committee to focus on long-term savings.

▲ NEEA's 10-year forecast for Total Regional Savings is up from Q4 2012 (440aMW vs. 483 aMW). NEEA will continue to monitor and make adjustments as necessary.

Status (forecast vs. target): Green ≥ 100%; Yellow ≥ 80 and <100%; Red < 80%

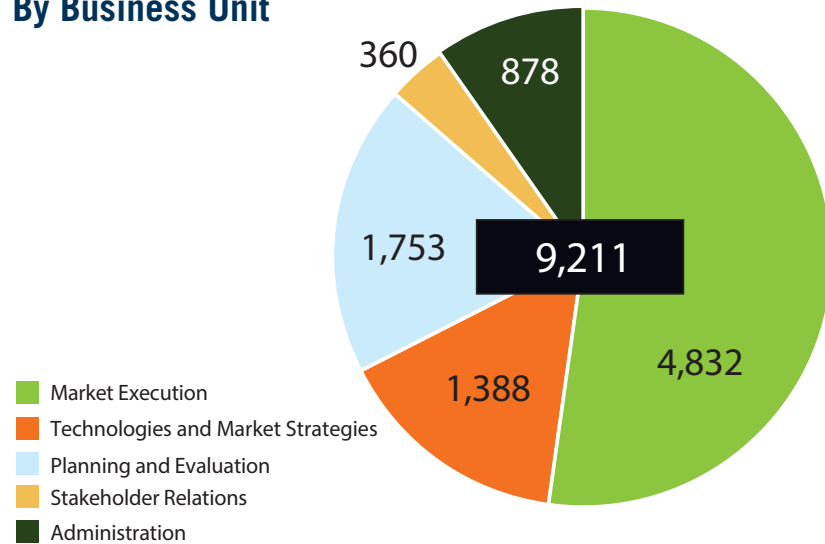
YTD Financial:

● First quarter expenses were 86% of budget. Shortfall is primarily related to timing issues, which are not expected to impact full year expenses.

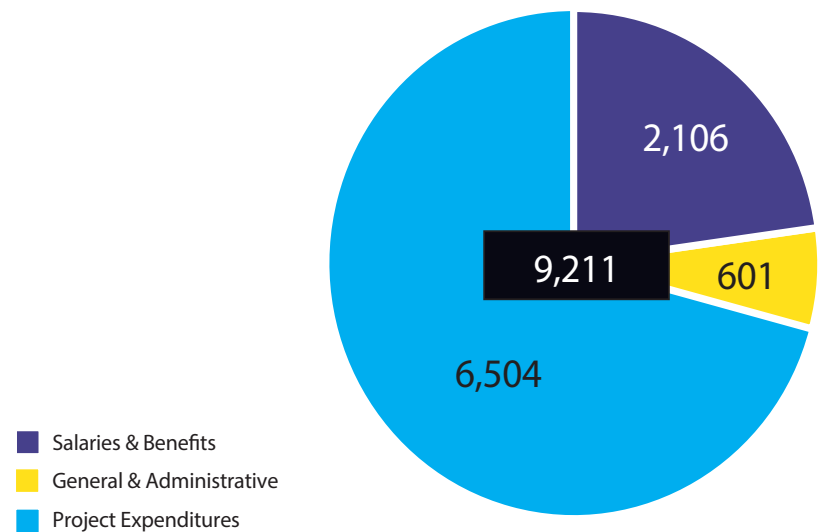
Status (actual vs. forecast): Green > 95% and <105%; Yellow = 90-95% or 105-110%; Red < 90 or >110%

2013 Q1 Actual
(in \$ 1000s)
\$9,211

By Business Unit



By Expense Category



Financial Summary

Q1 2013 expenses were 86% of budget. Budget shortfall is primarily due to slower than anticipated start for regional studies and a shift in budgeted activities and incentive dollars to later in the year.

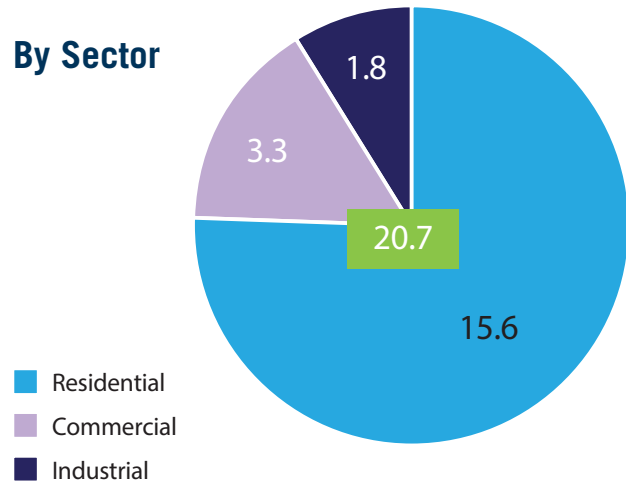


BY BUSINESS UNIT	ANNUAL BUDGET	YTD BUDGET 03/31	YTD ACTUAL* 03/31	YTD ACTUAL AS % OF BUDGET	Reason for YTD Budget Variance
Market Execution	21,158	5,584	4,832	87%	Activities and incentives (TVs, HPWH) budgeted for Q1 delayed until later in the year.
Technologies and Market Strategies	6,232	1,331	1,388	104%	
Planning and Evaluation	8,596	2,326	1,753	75%	Slower than anticipated start to Commercial Building Stock Assessment and Industrial Facility Assessment.
Stakeholder Relations	1,917	461	360	78%	Vacancies; Reduced Corporate Communications expenses due to increased leveraging of internal resources.
Administration	3,537	953	878	81%	Annual ACEEE dues budgeted in Q1 but amortized throughout year; Professional services lower than expected
Total Organization	41,440	10,655	9,211	86%	
BY EXPENSE CATEGORY	ANNUAL BUDGET	YTD BUDGET 03/31	YTD ACTUAL* 03/31	YTD ACTUAL AS % OF BUDGET	Reason for YTD Budget Variance
Salaries and Benefits	8,849	2,147	2,106	98%	
General and Administrative	3,254	869	601	69%	Lower than anticipated professional services -primarily in IT - professional development, travel and conferences.
Project Expenditures	29,337	7,639	6,504	85%	Slow start to regional studies; activities and incentives budgeted in Q1 delayed until later in the year.
Total Organization	41,440	10,655	9,211	86%	

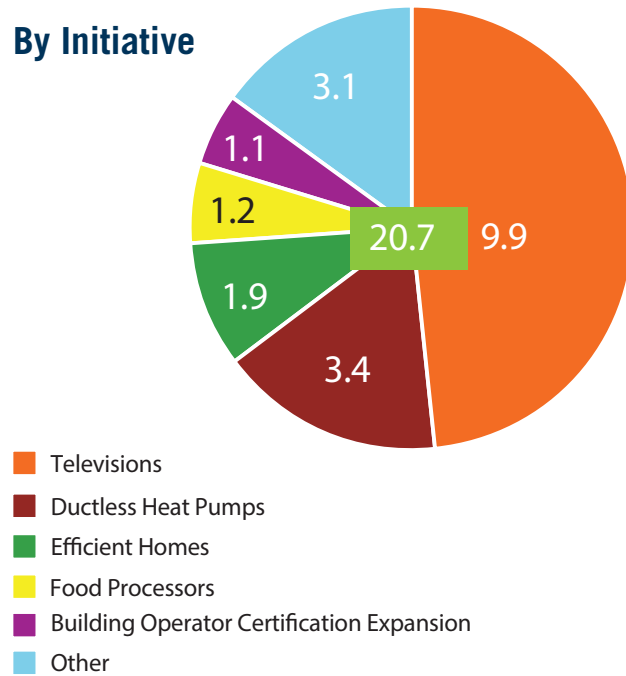
*Excludes Special Funds of \$88K

2013 Co-Created Savings Forecast (aMW) Current Investments

By Sector



By Initiative



2013 Energy Savings Forecast (aMW) from Current Investments

	NET MARKET EFFECTS			CO-CREATED SAVINGS			TOTAL REGIONAL SAVINGS			Reason for Forecast Variance from Target
	TARGET	FORECAST	%/TARGET	TARGET	FORECAST	%/TARGET	TARGET	FORECAST	%/TARGET	
Residential	9.4	13.3	142%	11.3	15.6	139%	32.5	39.6	123%	Residential Variance Comments
Televisions	7.1	9.9	124%	7.1	9.9	140%	27.7	33.1	121%	Great gains in market share in 2012 influenced increases in 2013 forecasting. In particular: <ul style="list-style-type: none"> • TV market share increased 7 percent (avg) over target • DHP initiative experienced 20 percentage point growth in installations over target • New construction starts up 23 percent across region vs. target
Ductless Heat Pumps	0.8	1.4	189%	2.4	3.4	145%	2.5	3.5	143%	
Efficient Homes	1.2	1.7	140%	1.4	1.9	132%	1.8	2.4	129%	
Heat Pump Water Heaters	0.3	0.1	35%	0.4	0.3	91%	0.4	0.4	100%	
Residential Codes (multifamily)	0.1	0.1	100%	0.1	0.1	100%	0.1	0.1	100%	
Commercial	3.3	2.8	83%	5.3	3.3	62%	7.7	4.8	63%	Commercial Variance Comments
Commercial Lighting	NA	NA	NA	1.0	NA	NA	1.1	NA	NA	Decreases in forecasted activities in 2013: <ul style="list-style-type: none"> • Commercial Lighting discontinued, to be replaced by two new initiatives in 2013 • Existing Building Renewal experienced delays in demonstration projects • Commercial Real Estate savings to be determined pending third party methodology validation • Building Operator Certification - Expansion forecast down due to fewer than expected qualified participants
Existing Building Renewal	0.0	0.0	0%	0.2	0.0	0%	0.2	0.0	0%	
Commercial Real Estate	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Healthcare	0.1	0.1	100%	0.3	0.3	100%	0.3	0.3	100%	
BOC Expansion	1.3	0.9	71%	1.6	1.1	70%	1.6	1.1	70%	
80 PLUS Power Supplies	0.6	0.7	117%	0.6	0.7	117%	1.9	1.4	75%	
Luminaire Lighting Controls	NA	NA	NA	0.2	0.0	0%	0.2	0.0	0%	
Commercial Codes	1.3	1.1	81%	1.3	1.1	81%	2.4	1.9	79%	
Industrial/Agriculture	0.9	0.9	100%	1.8	1.8	100%	1.9	1.9	100%	Industrial Variance Comments
Small/Medium Businesses	0.2	0.2	100%	0.5	0.5	100%	0.5	0.5	100%	Food processor forecast to change pending data from Northwest Food Processors Association
Food Processors	0.6	0.6	100%	1.2	1.2	100%	1.3	1.3	100%	
RETA Operator Training	0.1	0.1	100%	0.1	0.1	100%	0.1	0.1	100%	
Totals	13.6	16.9	124%	18.3	20.7	113%	42.1	46.3	110%	

2013 Energy Savings Forecast by State (aMW)

	NET MARKET EFFECTS		CO-CREATED SAVINGS		TOTAL REGIONAL SAVINGS	
	TARGET	FORECAST	TARGET	FORECAST	TARGET	FORECAST
CURRENT INVESTMENTS						
Washington (45%)	6.1	7.6	8.2	9.2	18.8	20.7
Oregon (33%)	4.5	5.6	6.1	6.9	14.1	15.4
Idaho (14%)	1.9	2.4	2.6	2.9	6.0	6.6
Montana (8%)	1.0	1.3	1.4	1.6	3.2	3.6
Total	13.6	16.9	18.3	20.6	42.1	46.3
ALL INVESTMENTS						
Washington (45%)	11.3	12.3	17.2	18.1	41.3	48.5
Oregon (33%)	8.4	9.2	12.8	13.5	30.8	36.2
Idaho (14%)	3.6	3.9	5.5	5.8	13.2	15.4
Montana (8%)	1.9	2.1	2.9	3.1	7.1	8.3
Total	25.2	27.6	38.3	40.5	92.4	108.5

Other Quarterly Highlights

- Launched strategic planning process with NEEA Strategic Planning Committee and Board. NEEA's next Strategic Plan will inform the development of its 5-year Business Plan (2015-2019).
- Completed feasibility study of Enlighted product line, revealing that the luminaire level lighting controls technology with dimming ballast can deliver significant energy savings (30-60%) at relatively low cost. This study validated product viability and identified opportunity for potential new luminaire level lighting controls specifications.
- Completed the second Certified Refrigeration Energy Specialist (CRES) training in Puget Sound area to test strategies for increasing demand and perceived value of a nationally-accredited certification for refrigeration operators. Initial results show that participating facilities can save between two and ten percent of their annual energy use by undertaking no-cost or low-cost activities and projects.
- Co-Sponsored the 5th Annual Industrial Energy Summit to increase regional knowledge of energy-efficient technologies and best practices as it relates to industrial energy management.
- Completed residential code compliance studies in Idaho and Washington with findings of 90 percent and 97 percent compliance respectively (some of the highest compliance rates in the country). Results will help the region create more accurate savings forecasts for new construction and target training and education efforts more effectively.
- Awarded EPA's Partner of the Year for Sustained Excellence in program delivery for NEEA's Northwest ENERGY STAR Homes program. Award recognizes NEEA's work to set national and regional standards in new construction by accelerating the adoption of advanced building practices and technologies.
- Secured fifteen press mentions in regional publications, highlighting building practices, codes, and NEEA's Residential Building Stock Assessment, to increase the region's market influence.

NEEA Definitions

All Investments	All NEEA investment since 1997
Annual Savings Target	Annual Operations Plan energy savings target toward five-year business plan goal
Baseline Savings	Energy savings from naturally occurring market change without utility, NEEA, BPA or Energy Trust of Oregon intervention
Business Plan	2010-2014 Board-approved Business Plan based on NEEA's Strategic Plan
Co-Created Savings	Energy savings resulting from the region working together to transform markets: Net Market Effects plus Local Program Savings
Cost-Effectiveness	Levelized Total Resource Cost (\$/kWh) of NEEA's current portfolio of initiatives
Current Investments	Investments made during the current 2010-2014 NEEA Business Plan
Education/ Knowledge Transfer Activities	Activities that NEEA conducts with the goal of sharing knowledge to improve understanding, increase motivation and encourage specific actions
Local Program Savings	Energy savings claimed through utility, Energy Trust of Oregon or Bonneville Power Administration (BPA) energy efficiency programs
Net Market Effects	Savings associated with market change and not locally incented programs or baseline changes
Operations Plan	NEEA's Board-approved annual plan of operations
Savings Forecast	Energy savings forecasts based on key assumptions and the latest available market data
Skills Training	Training that NEEA conducts with the goal of increasing motivation, developing specific skills, and encouraging application of skills
Total Regional Savings	Energy savings associated with all market changes: Net Market Effects plus Local Program and Baseline Savings
Validated Savings	Energy savings that have been reviewed and validated by NEEA's Cost-Effectiveness Committee

All NEEA performance reports are available on neea.org

If you have questions about this report, please contact:

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