Members Launch Tomorrow’s Critical Efficiency Program Initiatives

CONSORTIUM FOR ENERGY EFFICIENCY 2011 ANNUAL REPORT
CEE INCREASES THE EFFECTIVENESS OF ENERGY EFFICIENCY PROGRAMS BY ENHANCING COMMUNICATIONS AND HARMONIZING APPROACHES ACROSS PROGRAMS TO ADVANCE ENERGY EFFICIENCY FOR THE PUBLIC BENEFIT.
Consortium for Energy Efficiency

CEE is an award-winning consortium of efficiency program administrators from the United States and Canada. Members work to unify program approaches across jurisdictions to increase the success of efficiency in markets. By joining forces at CEE, individual electric and gas efficiency programs are able to partner not only with each other, but also with other industries, trade associations, and government agencies. Working together, administrators leverage the effect of their ratepayer funding, exchange information on successful practices and, by doing so, achieve greater energy efficiency for the public good.

A Firm Footing
It is an important time for energy efficiency. The landscape for program administrators is changing rapidly, perhaps due in large part to the program industry’s success. Acceleration of minimum equipment standards is in full swing, and savings targets appear to be trending higher. There is increasing pressure to transition from product incentive programs to more sophisticated marketing. The likely implication is increased pressure for greater effectiveness and overall impact.

Over the past 21 years, CEE members have established the CEE process as a firm foundation that allows 132 program administrators to conceive and participate in binational program strategies. This is in spite of very real differences in savings targets, business models, regulatory structures, climatic conditions, and power sources. Through their affiliation with CEE, members build understanding of market forces and act to transform the market to accrue cost-effective savings.

In 2011, CEE members have made significant strides toward the future of energy efficiency, supported by the firm foundation they have built. These programs address whole facilities, use comprehensive or systemic approaches, centralize analysis, and scale across jurisdictions and product categories. These advances may ultimately support important new efficiency platforms—platforms uniquely created for programs that provide infrastructure for target markets and end uses.

We hope you enjoy reading about a few of these efforts over the following pages.
Emerging Platforms

“Helping people save energy, save money, and protect the environment is what we’re all about. Today, energy efficiency drives every discussion about meeting the needs of customers. Given the abundance of new appliances and electronics, it is important to address their potential for energy savings. CEE is helping enable cost-effective solutions by pooling program administrator efforts.”

Rebecca Craft, Con Edison

Consumer Electronics Program Center
Fast-changing consumer electronics represents an important frontier for efficiency programs. The sheer number of product categories in this evolving area presents particular challenges. Now add hundreds of models in each category, and the fact that whole technologies can appear and disappear with regularity, and you have a market that requires a unique approach to capturing efficiency. While each individual end use may represent a relatively small percentage of the total energy use in a typical home, the ubiquity of electronic devices creates unprecedented opportunity.

CEE has taken a leadership role in creating the Consumer Electronics Program Center to develop a targeted response to this new efficiency opportunity. Through central analysis of monthly sales data, members obtain timely reports and initiate discussion with peers who share similar program challenges. Members access collaboration tools in the CEE Forum to continually share information and formulate enhancements to further speed the exchange of data and program ideas. Plans are in place to reach stakeholders in the distribution chain, enabling an ongoing collaborative interchange with industry partners. As such, the Center represents a leap forward in supporting member programs. It embodies new approaches that CEE is applying across the energy efficiency spectrum and reflects three core characteristics:

Comprehensive. CEE members seek access to a broad swath of market, technical, and consumer information in order to design and implement successful programs. Rather than focus on the savings from increased high efficiency sales in one product category, the Center directly disseminates information and offers members a communications platform to discuss findings and their implications. Comprehensive market knowledge arms administrators with a greater level of understanding than they could acquire on their own. The programs they build can pinpoint the most current market conditions for products.

Scalable. Focusing first on televisions, which represent the most significant consumer electronics energy use, the Center is positioned to expand its coverage to a wide range of products and components. With timely market analysis, members can decide which product categories fit best within their programs.

Data-driven. CEE members receive monthly and semiannual data for several product categories. Timely and credible market, technical, and consumer data provide dynamic input for ongoing decisions about new program opportunities and approaches. As well, data reports inform timing of product specification revisions.

The CEE Consumer Electronics Program Center represents a new strategic footing for the future.
“As we develop and launch new programs in pursuit of emerging opportunities, the expertise and centralized resources CEE provides are worth their weight in gold. Even more invaluable is the fact that CEE serves as the forum that allows our staffs to share information with other North American program administrators so that our thinking and efforts benefit from the best information available.”

Gene Rodrigues, CEE Board member, Southern California Edison

“The Consumer Electronics Program Center is a valuable asset and objective source to not only help program administrators get the latest information, trends, and advancements in the consumer electronics market, but ultimately to help determine strategies and best practices for improving energy efficiency.”

Karen Hamilton, CEE Board Member, NYSERDA
“We have to package energy information in business terms. If I run a hospital, I want to know the energy cost per bed. If I run a restaurant, I want to see it per table. Let’s engage with the customer to turn energy management into a profit center, not a cost center.”

Janice S. Berman, CEE Board member, PG&E

CEE has always focused on activities that enhance effectiveness and reduce pressure. Now, our emphasis is evolving in ways demonstrated by the Consumer Electronics Program Center. Responses to the current environment are emerging across CEE.

Whole Facility

To reach almost two hundred million residences in the US and Canada and bring whole house to scale, CEE members are developing clear and credible means to represent both relative and absolute savings potential. CEE is working to design effective approaches for realizing whole house savings for the typical homeowner. Comprehensive, scalable solutions require the sophisticated packaging of measures that meet both consumer desire for energy savings in gas and electric, and enhanced in-home comfort. At all levels, members are identifying approaches and consumer messaging that work for both home retrofits and new construction.

Because ROI provides a compelling story for commercial buildings, CEE members are reviewing operational efficiency measures for market segments such as hospitals, warehouses, and office parks. Along the same lines, they are standardizing definitions in order to work successfully with providers of energy management and information system (EMIS) services. Members piloting this approach plan to bring it to scale for one segment and then replicate the model for the next segment. Working together, members leverage their market research dollars, share intelligence, and present their mutual needs coherently to EMIS vendors.

Central Analysis

The repository of data and documents that CEE has gathered over time is an invaluable asset. The Annual Industry Report, now in its sixth year, measures and describes the entire efficiency program industry. The budget growth of 240 percent since 2006, along with the ENERGY STAR® Household Awareness Survey’s growth in label recognition to 83 percent from 41 percent in 2000, has implications for both evaluation and behavior. Taken together, these increases reflect an industry with growing resources and market credibility. Further, members are diving into efforts to claim savings with more accuracy and comparability. They are participating in national decision-making groups, following well-established marketing practices, and reaching out to the regulatory community. Growing realization of the potentials of efficiency will demand new requirements for consistency and transparency by government agencies.

Shared Intelligence

In 2011, CEE introduced the CEE Forum web application to increase capacity and streamline member collaboration. This peer-developed resource provides members with access to information on ongoing work. Members can search proprietary committee materials as well as 4000 program and evaluation documents. As 2012 began, CEE completed the rollout of the Forum to over 1500 member staff, representing 132 organizations and 21 topical work sites. Today, the Forum has almost 2000 participants.
CEE is focused on gathering and sharing member intelligence about connectivity to the smart grid, with savings, technology, behavior, and other implications. CEE recognizes that “smart” is a catchall word for two-way communication among multiple grid components: transmission, distribution, and advanced meters. What is not well defined is what connectivity of appliances and other home devices really means for customers. Ultimately, the transformational business question for members is: “What is the value of connectivity to consumers?”

Most CEE member efforts are focused on the binational aspects of specific efficiency opportunities. Portfolio managers can also address mutual issues and learn from their peers. CEE brings together working groups of portfolio managers in residential, natural gas and C&I for meaningful cross-sector communication.

Comprehensive
Anticipating the revised federal minimum lighting standards, CEE began moving to comprehensive approaches several years ago. By combining approaches to traditional and emerging technologies, controls, daylighting, and design, members are identifying the most promising areas for both residential and commercial applications.

Likewise, the challenge in achieving ongoing industrial savings is to enable managers to effectively identify and manage energy as an integral part of their operations. The CEE role is to help establish credibility and feasibility to empower the local member to develop the customer business relationship. Tangible projects become the byproduct of a culture of continuous energy improvement. Enhancing these important relationships becomes the primary task of the program administrator.

“I’ve visited a dozen sites with similar objectives to the CEE Forum, and I’ve never seen such an effective job in organizing materials.”

Bruce Ceniceros, SMUD
CEE Members

CEE members deliver efficiency and, through CEE, contribute and refine their knowledge of what works and what doesn’t for programs.

Program Administrators
AEP Ohio
Alabama Power Company
Alliance to Save Energy
Alliant Energy
Ameren Illinois
Ameren Missouri
Arizona Public Service
Arkansas Western Gas Co
Atmos Energy Corporation
Austin Energy
Avista Utilities
Baltimore Gas & Electric Co
BC Hydro
Berkshire Gas Company
Black Hills Energy
Bonneville Power Administration
California Energy Commission
California Institute for Energy and Environment
Cape Light Compact
Cascade Natural Gas
Centerpoint Energy—Minnesota and Arkansas
Citizens Energy Group
City of Palo Alto Utilities
City Utilities of Springfield, Missouri

Columbia Gas of Massachusetts
Columbia Gas of Ohio
ComEd
Con Edison
Connecticut Light & Power
Connecticut Natural Gas Corporation
Consumers Energy
Delta Natural Gas
DTE Energy
Duke Energy
Efficiency Maine
Efficiency NB
Efficiency Nova Scotia Corporation
Efficiency Vermont
Energy Trust of Oregon
Eugene Water and Electric Board
FortisBC
Gaz Métro
Georgia Power
Great Plains Natural Gas Co.
Great River Energy
Gulf Power
Hawaii Energy
Hydro-Québec
Idaho Power
Indianapolis Power & Light Company
Iowa Energy Center
LG&E and KU Energy LLC

Long Island Power Authority
Los Angeles Department of Water & Power
Massachusetts DOER
MidAmerican Energy Holdings Company
Midwest Energy Efficiency Alliance
Minnesota Department of Commerce
Mississippi Power
Montana-Dakota Utilities
National Grid
Nebraska Public Power District
New England Gas Company
New Hampshire Electric Co-op
New Jersey Natural Gas
New Mexico Gas Company
New York Power Authority
Newfoundland and Labrador Hydro
Newfoundland Power
Northeast Energy Efficiency Partnerships
Northeast Utilities
Northern California Power Agency
Northern Indiana Public Service Company
Northwest Energy Efficiency Alliance
NSTAR
NV Energy
NYSERDA
Oak Ridge National Laboratory
Omaha Public Power District
ONGOING COLLABORATION

Oncor
Pacific Gas and Electric Company
PacifiCorp
PECO
Pepco—Potomac Electric Power Co
Piedmont Natural Gas
Platte River Power Authority
PNM
PPL Electric Utilities
Progress Energy Carolinas
Progress Energy Florida
Public Service Electric & Gas
Public Service of New Hampshire
Puget Sound Energy
Questar Gas Company
Rocky Mountain Power
Sacramento Municipal Utility District
Salt River Project
San Diego Gas & Electric
SaskPower
Seattle City Light
Snohomish County PUD
SourceGas
South Jersey Gas
Southern California Edison
Southern California Gas Company
Southern Company
Southern Connecticut Gas
Southern Minnesota Municipal Power Agency
Southwest Energy Efficiency Project
Southwest Gas
Tacoma Power
Tampa Electric
Tennessee Valley Authority
Tucson Electric Power Company
Union Gas
UniSource Energy Services
United Illuminating
Unutil
 Vectren
Vermont Department of Public Service
Vermont Gas
We Energies
Western Massachusetts Electric Company
Wisconsin Focus on Energy
Xcel Energy
Yankee Gas

National Labs and Nonprofits
American Council for an Energy-Efficient Economy
Lawrence Berkeley National Laboratory
National Renewable Energy Laboratory
Natural Resources Defense Council
New Buildings Institute
Oak Ridge National Laboratory
Pacific Northwest National Laboratory

Government
US Department of Energy
US Environmental Protection Agency
Natural Resources Canada
The market for efficiency is diverse. Nowhere is this more evident than in the broad array of CEE achievements in 2011.

**CEE**
- Validated the importance and effectiveness of our work via a three-year, competitively solicited, cooperative agreement with EPA for $1.2 million
- Funded and initiated the Emerging Technologies Collaborative to effectively bridge the gap between innovation and market acceptance
- Participated on five of eight SEE Action Working Groups to incorporate program views and interests
- DOE Deputy Assistant Secretary and EPA Acting Deputy Assistant Administrator addressed CEE membership on key federal developments such as ENERGY STAR® “Most Efficient”
- Directed two successful Program Meetings in January and June
- Held the ninth CEE Industry Partners Meeting in Denver, Colorado

**Commercial Sector**
- Accelerated development and implementation of building programs by working with DOE on an initial strategy
- Strategized response to commercial lighting needs by defining efficient lighting system templates for targeted building uses
- Improved the basis for quantifying unitary HVAC equipment savings at part load and included variable refrigerant flow technology in the updated High Efficiency Commercial Air Conditioning and Heat Pump Initiative
- Updated two kitchen specifications for ice machines and fryers, and facilitated one new kitchen specification for convection ovens
- Devised a field test protocol aimed at sharing actionable data in response to ventilation opportunity in commercial kitchens

**Industrial Sector**
- Identified key ingredients of the industrial energy management framework: customer commitment to reducing energy use, an actionable plan, and a tracking system
- Neared completion of a new manufacturer energy performance test standard for blowers in response to 2009 CEE outreach
- Partnered with DOE Advanced Manufacturing Office to collect, for the first time, industrial efficiency program budgets, expenditures, and impact data
- Integrated adjustable frequency drive information into motor systems guidebook and Motor Decisions Matter™ campaign
- Retired the CEE specification for motors in response to market transformation and published a list of motors with efficiencies higher than federal minimums to support members who continue to provide programs

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“When CEE members work together on common areas that the Board has identified to strengthen energy efficiency nationally, the depth of consideration is outstanding. Because CEE work is so carefully vetted before it is approved for use, administrators can confidently use the initiatives as a basis for their program efforts.”

Deb Sundin, CEE Board Chair, Xcel Energy
Residential Sector
- Facilitated a new partnership between Lighting for Tomorrow and Underwriter’s Laboratory, and continued to foster innovative, efficient lighting and controls.
- Encouraged the exchange of valuable information about transitioning programs to the updated ENERGY STAR® for Homes Specification.
- Developed a consumer lighting FAQ to address available products, the 2012 lighting standards, and the FTC lamp label.
- Conducted an Ask the Experts webinar about gas and electric utility partnerships for whole house programs.
- Worked with ACCA and RESNET on strategies to encourage downsizing of HVAC equipment through greater insulation.

Gas Sector
- Completed both the High Efficiency Commercial Boiler Systems and the High Efficiency Commercial Water Heating Initiatives.
- Responded to falling gas prices and rising savings targets by exploring bundled measures for whole structure markets and evaluating nonenergy benefits.
- Heightened gas efficiency visibility by integrating end use efforts throughout the CEE Forum.
- Increased the presence of the Coalition for ENERGY STAR® Water Heaters by launching a Facebook™ page (facebook.com/ESWaterHeaters) and a YouTube™ channel (youtube.com/user/ESWaterHeaters/feed).
- Coordinated with the Gas Technology Institute on efficiency developments in packaged rooftop air conditioners with condensing gas furnaces—gas PACS.

Evaluation, Research, and Behavior
- Collected and analyzed data for the 2011 Annual Industry Report.
- Finalized the Principles of Evaluation and conveyed the new document to NAESB, founded on member collaboration.
- Completed data collection and released 2011 Behavior Program Summary.
- Fielded CEE survey for EPA ENERGY STAR Household Awareness report.
- Spoke at 2011 Camp NARUC regulatory training sessions.
- Reprised the five-session Social Marketing for Energy Efficiency training.

“CEE was the spark.”
Julia Gass, Black & Veatch and member CAGI Blower Standards Committee, describing the CEE role in exciting the wastewater blower industry about efficiency and the importance of test codes to verify efficiency claims.
Board of Directors
(As of the publication date)

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› epa.gov

DR. KATHLEEN HOGAN
US Department of Energy
› energy.gov/index.htm

JOHN COCKBURN
Natural Resources Canada
› nrcan.gc.ca/com/index-eng.php
American and Canadian Combined Budgets Rise to $9.1 billion USD

Members Direct 86% of Total

Six years of collecting annual measurements of efficiency program budgets, expenditures, and impacts paint the most complete picture yet of energy efficiency program activity. The CEE Annual Industry Report shows a continuing trend of increases in budgets, and the savings these efforts produce have grown commensurately.

Total budgets for 2011 reached $9.1 billion, growing 21 percent from $7.5 billion in 2010. Actual expenditures in 2010 measured $6.5 billion. Across sectors, customers saved a total of $13.3 billion, topping 2010 savings. Since 2007, US and Canadian electric and gas efficiency program budgets have grown from $3.7 billion, showing continued rapid increase despite a weak economy. To read the complete report, see http://www.cee1.org/ee-pe/2011data.php3.

About the Data Collection
For the third year, CEE has worked with major contributors American Gas Association and Institute for Electric Efficiency. Joining forces with these organizations eliminates duplication of effort by all three organizations, reduces the reporting burden for respondents, and enlarges the pool threefold. CEE, with the collaboration of AGA and IEE, now provides the most current and comprehensive data available on the energy efficiency program industry.
## Audited 2010 Financial Statements

### Statement of Financial Position

<table>
<thead>
<tr>
<th>Assets</th>
<th>in thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
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</tr>
<tr>
<td>Government grants and memberships receivable</td>
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<tr>
<td>Fixed assets, net of depreciation</td>
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<tr>
<td>Other assets</td>
<td>$79</td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>$1,788</strong></td>
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<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
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<tbody>
<tr>
<td>Current liabilities</td>
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<tr>
<td>Long term liabilities</td>
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<tr>
<td>Unrestricted net assets</td>
<td>$861</td>
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<tr>
<td>Temporarily restricted net assets</td>
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<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$1,788</strong></td>
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### Statement of Activities

<table>
<thead>
<tr>
<th>Revenue and Support from Operations</th>
<th>in thousands</th>
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<tr>
<td>Membership dues</td>
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<tr>
<td>Government grants</td>
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<tr>
<td>Net assets released from restrictions</td>
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<tr>
<td>Investment and other income</td>
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<tr>
<td><strong>Total revenue and support from operations</strong></td>
<td><strong>$3,196</strong></td>
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<table>
<thead>
<tr>
<th>Operating Expense</th>
<th>in thousands</th>
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<tr>
<td>Program</td>
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<tr>
<td>Administration</td>
<td>$677</td>
</tr>
<tr>
<td><strong>Total revenue and support from operations</strong></td>
<td><strong>$3,432</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Nonoperating Activities</th>
<th>in thousands</th>
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</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>$6</td>
</tr>
<tr>
<td>Net realized and unrealized gain on investments</td>
<td>$6</td>
</tr>
<tr>
<td>Increase in net assets from nonoperating activities</td>
<td>$12</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td><strong>$224</strong></td>
</tr>
</tbody>
</table>

| Net assets, beginning of year | $1,411 |
| Net assets, end of year | $1,187 |
Program administrators across the United States and Canada face a variety of challenges. Yet when they bring their knowledge, their questions, and their perspectives to CEE, they work together to define mutual solutions, such as CEE initiatives, with the potential to transform markets. As members adopt initiatives, the market signal grows stronger, and CEE resources fill a niche that influences national markets and encourages more efficient products and services. New efforts, such as the Consumer Electronics Program Center, part of the residential CEE Consumer Electronics Initiative, are emerging as program tools that build a new basis for future program success.

The facilitated discussion that creates and supports CEE initiatives also opens opportunity for peer sharing. Whether it’s at the director, portfolio, or program manager level, the nature of CEE is one of opportunity for networking and information transfer, leading to sparks of insight that benefit each organization. Appropriate staff members within member organizations are invited to participate on committee calls, in-person deliberations, and the CEE Forum for online collaboration at no additional cost.

Even as members adopt initiatives to meet specific needs, they report anecdotally that initiative participation has tremendous value.

Regulators recognize the credibility in extensively vetted CEE initiatives. Access to program resources leverages member budgets. While market reach is limited to specific jurisdictions, participation in a CEE initiative provides important influence with a binational distribution chain.

Other stakeholders, including the federal government, test organizations, evaluators, and manufacturers identify CEE as the access point for reaching efficiency programs. CEE members deliberate together to formulate common needs, then engage stakeholders at the national level.

CEE initiatives have demonstrated long-term savings. Part of the challenge is to make sure that there are savings in the pipeline, ready when the time comes. CEE members assess new opportunities on an ongoing basis, looking for essential pieces that can be readily adopted by members, that will trigger change in the market, and that are best addressed through a binational initiative.

For those of you who are members, thank you for offering your time and dollars to CEE. The culture and process of collectively addressing challenges at CEE provide a foundation for future savings.

In a transitional time, CEE offers a firm footing for you to launch programs that achieve higher savings in more complex markets. Together, we’ll address connectivity, systematic approaches, and the need for timely, accurate data. Your engagement with CEE helps drive your success.

If you are interested in Working Together, Advancing Efficiency, we are interested in working with you.

GET IN TOUCH WITH CEE!

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