



**Real solutions.
Proven results.**



our MISSION

Wisconsin Energy Conservation Corporation champions innovative energy initiatives that deliver short- and long-term economic and environmental benefits to consumers, businesses, and policy makers.



A Letter from the EXECUTIVE DIRECTOR

Dear Friends,

Our national economy experienced tremendous upheaval and change in the past year. Financial markets crashed. Businesses shut down.

Unprecedented numbers of jobs were lost. Energy prices fluctuated dramatically. This all added up to the biggest economic crisis we've faced in decades, yet opportunity and progress emerged from the crisis.

In this past year, we also saw government and private-sector leaders work together to enact legislation and adopt aggressive initiatives to spark the emergence of a new, clean-energy economy. A clean-energy economy is our path to a renewed, sustainable prosperity; it offers an opportunity to create millions of new, well-paying jobs, protect our air and water from dangerous pollution, and secure our children's futures by making our nation more energy independent.

WECC has championed a clean-energy economy from our earliest days. Advancing this economy is embodied in our mission—to promote innovative energy initiatives that provide economic and environmental benefits to consumers, businesses, and policy makers. Not only have we achieved many of the ideas and goals set forth in the clean-energy economy legislative incentives, but some of our successes have even served as models for it.

Today, WECC is already delivering on some of the promises of the American Recovery and Reinvestment Act, and our

experience and expertise have prepared us to take on much more in the coming year.

Some of our accomplishments in 2009 include:

- Setting a new record for the number of completed home energy-efficiency retrofits in Wisconsin. Despite a down economy, our Home Performance with ENERGY STAR® Program completed 1,719 projects, up 50% over 2008.
- Helping utility clients across the Midwest develop and launch programs that increase residential participation, achieve immediate savings, and lay the groundwork for future innovative initiatives.
- Expanding the market for renewable energy, as our expertise and success in Wisconsin guide and inform the efforts of other statewide programs across the country.

Since 1980, WECC has earned a reputation for developing and delivering effective and affordable programs that help clients, businesses, and consumers save energy and money. WECC is committed to continuing our development of new, innovative approaches to meet our country's growing needs.

I hope you'll take some time to review our 2009 report and discover some of the ways WECC is working with utilities, municipalities, market partners, and policy makers to change the face of the energy economy and ensure a brighter, cleaner, more secure energy future for all.

Mary Woolsey Schlaefer, Executive Director



year in REVIEW

Highlights from 2009

The past year was exciting for WECC as we once again helped grow the markets for energy efficiency and renewable energy across the Midwest. Of course, no single organization can create a new clean-energy economy or meet aggressive regional energy-savings goals all on its own. For that, we must build new partnerships and new capacity, and bring new ideas to the table. Here's what WECC has done to lead the way.

Implementing innovative approaches to increase energy savings

As part of Focus on Energy efforts, WECC partnered with Wisconsin utility providers Wisconsin Public Service, Alliant Energy, and We Energies to develop innovative new community-based pilot programs aimed at helping commercial and residential customers save energy and money.

One such program, launched April 1, targeted two Milwaukee neighborhoods and featured energy advocates who performed free electrical audits and served as case managers while households moved through comprehensive retrofits. The advocate model—which WECC conceived with other stakeholders in this process—was part of a pilot aimed at making home-energy retrofits easy; the pilot also offered ongoing support and generous financial incentives to help cover the costs of upgrades.

WECC joined forces with leading information technology (IT) experts to explore practical ways businesses can maximize their efficiency while meeting their ever-growing computing demands. The result is our recently launched Green IT initiative—a comprehensive approach to energy-efficient computing that combines smart equipment choices and energy-management software with innovative planning, design, and best practices.

WECC's work with market channels as part of Focus on Energy's business programs spurred sales of energy-efficient equipment in Wisconsin by offering a series of limited-time incentive offers for the purchase of high-efficiency lighting, motors, and other equipment. Market partners, such as distributors and installers, reported that these offers increased demand for efficient products, and in some cases kept their sales and installation operations in the black as the recession tightened its grasp.

We also continued to develop and expand our programs serving utility clients in 13 states across the Midwest, including Indiana, Iowa, Minnesota, and Wisconsin. WECC developed and launched innovative home-retrofit pilot programs for Northern Indiana Public Service Company (NIPSCO), Vectren Energy Delivery, and Citizens Gas. Designed to improve cost effectiveness and completion rates, these pilots targeted high-energy-use homes, offered increased incentives for installing multiple upgrades, and partnered closely with installation contractors to make home efficiency upgrades easier and more appealing to residents. Not only did these programs exceed their participation goals, but we achieved a 30% conversion rate from weatherization proposals to actual installations.

WECC also collaborated with three natural gas utilities in Indiana to align program offerings, increase consumer participation, and improve cost effectiveness through economies of scale. Our efforts helped create a balanced portfolio that achieves immediate savings while preparing utilities to tap new savings opportunities in the future. In total, WECC's work with these utilities saved more than 4.6 million therms in 2009.

Our partnership with Duke Energy continues to expand participation across Kentucky, Indiana, Ohio, North Carolina, and South Carolina. In helping to coordinate the utility's Smart Saver Program (which promotes high-efficiency equipment to residential and commercial customers) and Home Energy House Call Program (a free service that provides in-home energy reviews and personalized energy-savings advice), our efforts have resulted in the completion of more than 3,400 energy reviews and the processing of more than 8,000 residential and commercial incentives.

Sharing our knowledge and growing the market's capacity

WECC aggressively increased the number of education and training efforts it facilitates to support Wisconsin's weatherization market, hosting 42 workshops and 3 Webcasts that reached more than 1,200 people. As the long-time coordinator of training and technical-assistance services for the Wisconsin Department of Administration's Weatherization Assistance Program and Wisconsin's Home Energy Assistance Program, WECC hosted a Tech Fair that drew 375 participants (up 50% from 2008) and a Home Energy Plus Training conference for 350 participants (up nearly 15% from the year before).

WECC also hosted six Weatherization Boot Camps—intensive, week-long training events offering hands-on weatherization experience (up from one event in 2008); expanded its certification trainings for energy auditors and weatherization assistants; and responded to an immediate need for new auditors and inspectors by introducing a two-day orientation course for these positions.

WECC's residential homes programs in Wisconsin made significant gains despite a down housing market. Our energy-efficiency retrofit program, Home Performance with ENERGY STAR, completed the most home energy retrofits in its history with 1,719 (up 50% from 1,145 in 2008). Our new-homes program, Wisconsin ENERGY STAR Homes, increased its market share to 20% (up 4% over 2008), despite an overall drop of 32% in new-home construction statewide.

Our expertise in renewable energy continues to accelerate the adoption of clean-energy systems and drive the growth of clean-energy markets across the country. Wisconsin leads the nation in farm-based anaerobic biogas-digester installations, an achievement for which Focus on Energy received the 2009 State Leadership in Clean Energy Award from the Clean Energy States Alliance (CESA). Additionally, Wisconsin ranks fourth in the nation for the number of solar water-heating installers certified by the North American Board of Certified Energy Practitioners (NABCEP), and twelfth in the nation for solar-electric installers.

Many other states look to WECC for ideas and advice on which to model their own renewable energy programs. Our biogas and solar-electric programs served as models for Minnesota's programs, and last year WECC began working with Hawaiian Electric Company (HECO) to provide economic analysis of options for solar programs—leasing, incentives, ways to increase adoption among low-income customers—in a project overseen by the Hawaiian Energy Commission.

Forging new partnerships to deliver increased energy savings

In 2009, Wisconsin communities received more than \$26.7 million in Energy Efficiency and Conservation Block Grants (EECBGs). WECC, as the Focus on Energy administrator, partnered with Wisconsin's Office of Energy Independence to reach out to eligible city and county governments and offer our insight and expertise as they developed plans to implement projects that improve energy efficiency and reduce fossil-fuel emissions. Our efforts prompted several innovative partnerships across the state, such as the city of Janesville's creation of special residential incentives to complement Focus on Energy's existing rewards.

WECC further shared its expertise with Wisconsin's Department of Workforce Development, Technical College System, and labor unions to devise ways to expand training opportunities related to energy efficiency and renewable energy. By providing technical assistance to help other organizations gear up their training programs to meet national standards, WECC is laying the foundation for rapid industry growth—helping our partners put trainees on the fast track to securing jobs that both promote smart energy use and help meet the market's growing demand for energy efficiency and renewable energy.

WECC once again provided grant-writing assistance to Madison and Milwaukee, Wisconsin's two cities designated as Solar America Cities by the U.S. Department of Energy, to help expand their solar initiatives. The cities are among 16 nationwide that were awarded a share of \$10 million in funding from the American Recovery and Reinvestment Act.

Now serving residents in 14 states, WECC's consumer financing program, Energy Finance Solutions (EFS), forged important new partnerships that will make energy-efficient home improvements more affordable for millions of additional homeowners across the country. In July, EFS partnered with the Tennessee Valley Authority to offer low-interest financing for homeowners participating in its energy right® program. EFS also worked closely with the state of New Jersey's Office of Clean Energy, Honeywell, Conservation Services Group, and several utilities to design a low-interest loan program similar to those we administer in New York and Wisconsin, which was launched in September 2009. In addition, EFS joined forces with top home-improvement retailer The Home Depot to offer low-interest financing for specific improvements and to encourage ENERGY STAR-qualified installations.

Expanding our expertise

WECC's leadership position demands the recruitment of top-caliber people. In 2009, we bolstered our executive team with several new positions created to expand our capabilities and enhance our competitive position in the marketplace. These include strategic roles designed to identify new opportunities and develop new initiatives; to advance the innovation and effectiveness of WECC's programs and services; to improve our program-evaluation efforts; and to increase our ability to meet today's client needs and tomorrow's energy challenges.

ENERGY SAVINGS

WECC Program Energy Savings
July 1, 2008 through June 30, 2009

Year after year, WECC puts its experience and expertise to work to help clients across the country achieve measurable energy savings affordably. The results are real and impressive, and stand up to the rigorous scrutiny of program evaluators and regulators.

| PROGRAM | TOTAL ANNUAL KILOWATT SAVINGS | TOTAL ANNUAL KILOWATT-HOUR SAVINGS | TOTAL ANNUAL THERM SAVINGS |
|--------------|----------------------------------|---------------------------------------|-------------------------------|
| Business | 91,490 | 441,332,322 | 22,672,938 |
| Renewable | 3,411 | 21,088,166 | 1,947,334 |
| Residential | 24,033 | 310,680,423 | 6,641,404 |
| TOTAL | 119,422 | 777,117,298 | 31,263,805 |

*Savings include all states where programs are administered/implemented.

ENERGY SAVINGS SUMMARY

| | |
|---|--------------------|
| Estimated annual savings on energy bills | \$109,314,543 |
| Estimated sales generated | \$252,850,597 |
| Total savings equivalent to cars taken off the road | 152,029 |
| Estimated annual reduction of CO2 emissions | 1,682,544,815 lbs. |

FINANCES

For the period of July 1, 2008 through June 30, 2009

REVENUE

| | |
|--|----------------------|
| Business Energy-Efficiency Programs | \$53,239,492 |
| Residential Energy-Efficiency Programs | \$40,062,219 |
| Renewable Energy Programs | \$6,940,857 |
| Low-Income Programs and Services | \$5,404,090 |
| Energy Finance Solutions (not including loan transactions) | \$527,170 |
| Consulting | \$391,781 |
| Other Income | \$223,006 |
| TOTAL REVENUE | \$106,788,615 |

EXPENSES

| | |
|------------------------------|----------------------|
| Program Expenses | \$102,617,568 |
| Management and General | \$3,247,990 |
| TOTAL EXPENSES | \$105,865,558 |

| | |
|---------------------------------|-------------|
| Increase in Net Assets | \$923,057 |
| Net Assets, June 30, 2009 | \$6,076,182 |

board of DIRECTORS



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Environmental and Energy
Conservation Specialist

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