



ANNUAL REPORT

JULY 1, 2014 - JUNE 30, 2015



OUR INVESTMENT HARD AT WORK

In fiscal year 2015, WECC, with the active support of our Board of Directors, allocated a \$1.5 million investment into research, systems, and the piloting of game-changing programs and technologies. This bold and strategic investment has allowed us to:

- Maintain strong utility energy efficiency portfolios by delivering cost-effective residential savings through Retail Upstream program models.
- Design, test, and launch new program delivery models that bring the benefits of energy efficiency and renewable energy to limited income households, improving comfort and affordability.
- Leverage energy efficiency and renewable energy technology and programs to deliver carbon reduction and health benefits.
- Invest in our people, processes, and systems to provide customers and clients with continuously improving service levels, and our staff with a great place to work.

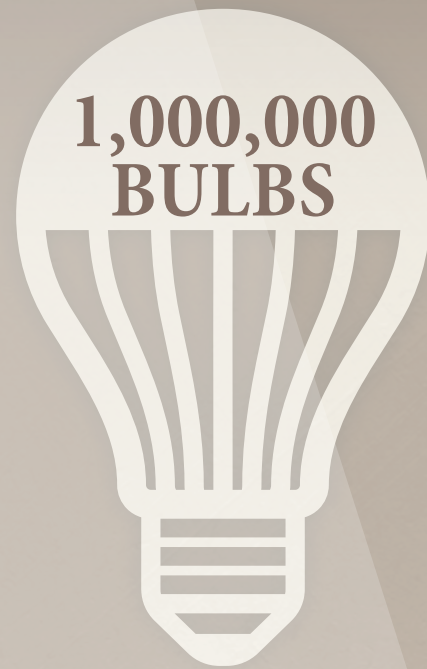
CHAMPION LED TECHNOLOGY TO DRIVE COST-EFFECTIVE RETAIL PROGRAMS

Light emitting diode (LED) technology is transforming lighting, delivering high quality, long life, high efficiency light bulbs. WECC is bringing our long history of embracing leading edge technologies and program designs to the LED market.

WECC has always understood the benefits LEDs bring consumers, retailers, and utility energy efficiency programs. And, we have never been afraid to jump right in. Our first LED program launched in 2012, when there were very few LED-specific programs. Then LED technology accounted for about one percent of the bulbs sold through our utility retail programs. With annual growth of 288 percent in 2013, 311 percent in 2014, and another 145 percent in 2015, LED bulbs now account for one-third of all program sales. And, we are on track to approach 100 percent over the next two years.

Today, as changing technology is driving price cuts and the use of LEDs in more sockets than ever, WECC continues to be at the forefront in developing programs and tools that get LEDs where they belong: in consumers' hands.

But LED technology does more than meet consumers' need for high quality, energy-efficient lighting. Leveraging our partnership with national, regional, and local manufacturers and retailers, WECC is negotiating reduced LED product costs and increased product mix to maximize program savings for utility programs. Our Retail portfolio introduced low-cost and specialty LED products from Michigan to New Mexico.



That's how many LED bulbs WECC helped our clients promote or sell through their programs this year!

What did one million bulbs mean to them—and to their customers?

- **Lower prices**—In partnership with manufacturers and retailers we helped provide discounts on LEDs in participating stores, bringing choice to consumers within utility program budget.
- **Marketplace exposure**—Experiencing is believing. Our LED programs are a critical way to expose consumers to the benefits of LED technology and win more converts to this energy-saving choice.

BRINGING BENEFITS TO UNDER-SERVED MARKETS

We all know energy-efficient equipment can lower our monthly utility bills, so why don't we invest in energy efficiency? For many consumers the answer is simple—we don't have the cash. WECC's Energy Finance Solutions (EFS) delivers residential loans for weatherization and renewable energy investments, focused on lending to limited-income households.

Watching our loan volume explode! In 2015, WECC had the largest volume of energy-efficient lending ever – over \$86 million!

Low rates, favorable terms and supportive contractors are driving demand for standard and on-bill loans. These loans give consumers the money they need to do a project now and a repayment schedule that meets their needs. For example, on-bill loans match energy savings to the monthly loan payment—and the two often cancel each other out.

What drove this astonishing growth?

- **Marketplace demand**—Energy efficiency and solar energy are increasingly popular.
- **Our team**—Dedicated, hard-working, and experienced experts who are committed to problem solving and efficiency.
- **Longevity**—WECC has more than 20 years of green lending experience and is one of the country's top three players in this market.
- **Scalability**—WECC has a proven track record of growing successful programs.

Money is not the only thing keeping homeowners from embracing new technology: sometimes they know little about the benefits of high-efficiency equipment or there aren't any local contractors to install and service it. That's where WECC can help.

Bringing thermostat technology to rural households

Wi-Fi-enabled and "smart" thermostats that let homeowners monitor and manage their heating and air conditioning using mobile technology are proven to save energy and reduce utility costs for homeowners.

WECC recently conducted a pilot in rural Michigan that showed the power of product education and access. Customers in more than 300 households—over 50 percent of which had members who were age 60+—enthusiastically embraced a Wi-Fi connected thermostat controlled via a mobile app. One-third of all participants changed settings daily, checking the mobile app 10-40 times daily adjusting their thermostat to their schedule and responding to weather events.



Delivered in partnership with local contractors, this pilot provides great evidence that customers across all ages and geographic locations are comfortable using mobile technology. And this information will be instrumental in driving future program development, especially for the municipal and cooperative utilities that often serve rural communities.

BIG CHANGES ARE JUST AROUND THE CORNER: INVESTIGATING OPPORTUNITIES IN CARBON

WECC has always been passionate about protecting the environment. It's part of our mission. We know changes are coming in the carbon marketplace and we're laying the groundwork now to create solutions that support the reduction of our clients'—and their customers'—carbon footprint.

IN 2015 THESE EFFORTS INCLUDED:

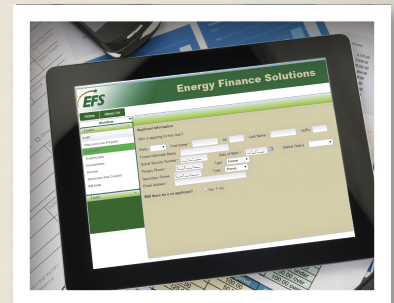
- **Engaging with the larger efficiency community**—The WECC team connects with market leaders, utilities, academia, researchers, and more to ensure we're on top of emerging technologies and synergies that can address carbon impact and assist our traditional clients.

- **Adding carbon reduction values to monthly program scorecards for utility energy efficiency programs**—This helps utilities report the impact of their energy efficiency programs, and provides a yardstick for future actions.
- **Supporting Wisconsin Green Tier Legacy Communities**—WECC is one of a select group of non-government organizations that are providing expert support to municipal and county governments and helping them facilitate their adoption of sustainability initiatives. WECC is proud to be leading the Energy Task Force, working to bring Property Assessed Clean Energy (PACE) financing to Wisconsin communities, and to expand energy-use benchmarking for local facilities.
- **Certifying our team as Greenhouse Gas Quantifiers**—WECC employees now hold this valuable certification, which allows WECC to measure our client's carbon outputs based on internationally recognized protocols.

CONTINUOUSLY IMPROVING OUR CUSTOMER EXPERIENCE

Today's consumers are tech-savvy and time-sensitive. Many want to do as many tasks as possible through digital channels—computer, tablet, or mobile device—instead of face-to-face, and getting a loan for an energy efficiency improvement is no exception.

In response, WECC launched a new loan system. This one-stop tool makes the entire lending process digital and easily accessible for customers and contractors. Customers can apply online or download the loan application, upload any supporting documentation, and connect with a loan specialist to ask questions, clarify requirements, or just chat. Contractors use the tool to track and manage every step of installation and follow-up.



THIS PORTAL MEANS:

- **Faster loan decisioning**—Pre-approval is instant and most approvals are processed within 24 hours of documentation submittal.
- **A paperless process**—This provides customers and contractors with one place for all their loan, program, and project information.

Hawaiian Solar Installation Program

When the State of Hawaii's Green Energy Market Securitization (GEMS) program needed help delivering affordable solar photovoltaic loans to Hawaii residents, they knew just where to turn. EFS was able to launch this brand new program on an incredibly aggressive timeline thanks to the new loan origination system and WECC's talented and experienced staff.

FY15 SAVINGS INFORMATION:

Financial savings: \$69,118,103 in energy costs

Total Therm savings: 1,335,555

Total kWh savings: 524,212,368

EQUIVALENCIES OF THESE SAVINGS:

Metric tons of CO₂: 368,552

Pounds of CO₂:

812,518,683

Homes powered for a year:

50,695

Gallons of gas saved:

41,470,943

Cars taken off the road:

77,590

FINANCIAL STATEMENT

WECC STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

REVENUE

\$39,469,589 Energy Efficiency Programs

\$2,077,838 Low Income Programs & Services

\$3,192,482 Energy Loan Programs

\$203,907 Consulting

\$87,515 Other

\$45,031,331 TOTAL REVENUE

EXPENSE

\$39,581,643 Program

\$5,323,012 Management & General

\$44,904,655 TOTAL EXPENSE

NET ASSETS

\$126,676 Increase in Net Assets

\$10,832,176 NET ASSETS AS OF JUNE 30, 2015

