



Dear Alliance Associates and Friends,

As I write this letter in January, I cannot help but think about the promising future that lies just around the corner. We are at the cusp of a new age of energy efficiency, one in which the potentials of this clean and inexpensive fuel are wedded to both economic stimulus and emissions reductions. Moreover, the new Administration has given all indications of being ‘on board’ with this vision, and we are anticipating a busy yet productive year ahead.

Before moving forward I would like to consider the highlights of 2008 – a year in which we achieved outstanding progress in our mission to promote energy efficiency as the nation’s ‘first fuel’. As you will read in the following pages, the Alliance led the charge on a number of campaigns and initiatives – campaigns for better fuel efficiency, stronger building codes and higher appliance standards, to name a few. In addition, we took our promotional duties to the “nth” degree, making absolutely certain our message went beyond the halls of Congress and into the homes, communities and businesses of citizens seeking – and deserving – sustainable alternatives to the high-energy-consuming, high-polluting, high-priced status quo.

Please join us for a moment as we celebrate the victories of the past year; they belong to all of us whose efforts have helped to speed the deployment of energy efficiency worldwide. Thank you for your continued support. I look forward to working with you in the coming months!

Sincerely,

Kateri Callahan

Mark Your Calendars! 2009 Events

March 3-4 | Congressional Education Day (CED) & Great Energy Efficiency Day (GEED)

April 27-29 | Energy Efficiency Global Forum and Exposition (EE Global) | Paris, France

September 17 | 32nd Annual Stars of Energy Efficiency Awards Dinner | Washington, D.C.

Dinner & Awards Committee Meetings
 Thursday, April 9, Alliance Offices
 Thursday, May 28, conference call
 Tuesday, October 22, Alliance Offices

Policy and Programs Committee Meetings
 Tuesday, April 7, Alliance Offices
 Monday, June 29, Alliance Offices
 Tuesday, October 20, Alliance Offices



Education

Good grades tell it all: according to final data for 2008, Alliance Green Schools programs reduced electricity use in 48 California schools through no-cost behavior and operational changes by approximately 6.2 percent compared to the previous year's baseline, generating an energy savings of 1,185,512 kWh; 600 tons of carbon dioxide; and \$202,100. Meanwhile, the Alliance Green Campus program saw 10 of its interns enter the sustainability field after graduation – a transition that bespeaks the unstoppable growth of a new green collar workforce.

For the Alliance Green Schools and Green Campus programs, the year 2008 was one of recognition. Most

Also receiving honors were Green Campus interns at CSU Chico, UC Berkeley and UC Santa Cruz who swept the awards for Best Practices in Student Energy Efficiency at the 7th Annual Sustainability Conference. In addition, four Green Campus universities – CSU San Bernardino, CSU Chico, Humboldt State University and Cal Poly Pomona – featured prominently at the California State University Student Poster Competition.

This year, the Alliance was thrilled to begin working with 14 schools in Washington, D.C. Known locally as “The Saving Energy in D.C. Schools Program”, this Green Schools project is operated in partnership with

the D.C. Energy Office; it has been authorized by the Public Service Commission which approved the funding under its Natural Gas Trust Fund. Over 100 students from eight District schools have participated in the Student Energy Audit Training program to date. Already, the Alliance has trained students from nine schools to conduct energy audits of their classrooms and schools – an activity that revealed areas of significant energy waste in school renovations, and inspired solutions to prevent similar errors further down the line.



Mike Peevey, President of the California Public Utility Commission (top row, far left) and John Fielder, President of Southern California Edison (top row, third from left), join the Alliance in honoring students from Hesperia School District.

notetably, five Rochester, N.Y. Green Schools participants received ENERGY STAR awards for reducing energy-use in their schools, while on the West Coast, the Alliance honored two Green Schools participants – Desert Trails High School and Sultana High School – for helping to save their Hesperia Unified School District \$660,000 over a five-year period.

For the Education Team, the year 2008 yielded an outstanding record of initiatives and energy sav-

ings, further underscoring the importance of education not only to the mission of the Alliance, but also to the communities in which these students work. With these and other successes to build upon, the Alliance is well prepared to reach even more students – and their teachers and families – with lessons in energy efficiency.

Communications

Rising fuel prices and a faltering economy demanded a serious change in our nation's energy consumption in 2008. The Alliance responded by engaging consumers, policymakers and energy advocates in meaningful conversations about the economic and environmental benefits of saving energy.

Perhaps the most successful of these efforts was the *Drive Smarter Challenge*, a million-dollar, one-year consumer campaign funded by the Wal-Mart Foundation and 18 other diverse partners encouraging smarter, more efficient driving among Americans. Through a variety of outreach techniques – podcasts, outdoor advertising, tip cards and an interactive website that attracted close to 100,000 visitors within



A snapshot of the Drive Smarter Challenge campaign website, which features a fuel calculator along with tips for attaining greater fuel efficiency.

the first few months of operation – this dynamic campaign exceeded all milestones. At the close of 2008, campaign activity had resulted in reported savings of \$1,234,543; 334,543 gallons of gas; and 34,543 metric tons of CO₂, according to web stats viewable on www.drivesmarterchallenge.org. In total, the campaign garnered more than 7,620 TV, radio, newspaper and magazine stories, with more than 157 million media impressions and coverage from hundreds of online websites and blogs.

Overall, 2008 was a year in which the Alliance saw its media presence grow in proportion to the rising concern over energy matters and the economically and environmentally wise solutions offered by energy efficiency. In addition to regular appearances in the *New York Times*, the *Washington Post*, the *Wall Street Journal* and in popular wire services, the Alliance was featured in many national and local radio and TV stations – a clear sign that journalists continue to consider us a reliable source for information about energy efficiency, and are eager to cover our campaigns and policy initiatives.



The Communications Team continued to gain media exposure for Alliance staff. In 2008, President Kateri Callahan participated in dozens of interviews on both TV and radio, and satisfied 40 requested speaking engagements at national and international events – a travel schedule that allowed for additional appearances on local TV stations.

Time magazine counted the Alliance among the leading voices in energy efficiency in its January 2009 issue.

To better inform and educate consumers and its e-advocate base, the Alliance initiated a reworking of its online outreach strategy – a project that will continue into 2009. The initial steps – a third-party audit of our outreach materials; a new interface for *eFFICIENCY News*; the launch of weekly newsletter for Associates, *What Alliance Associates Need to Know*; and forays into the “blogosphere” – will pave the way for greater operational changes in the coming year.



Buildings, Industry & Utilities

Taking the lead on several projects and programs outlined in the Energy Independence and Security Act of 2007 (EISA) – improved appliance standards, advanced building codes, the Commercial Building Initiative and the Federal Energy Management Program, to name a few – the Buildings, Industry and Utilities program was also instrumental in helping to develop and analyze energy efficiency-related legislation – a task that comprised much of the Alliance’s efforts in 2008.



Bill Fay, EECC
Campaign Director
at the Alliance



Campaigning for a 30 percent improvement in residential model energy building codes, the Alliance-hosted Energy Efficient Codes Coalition (EECC) scored a partial victory in September when the ICC approved

a package of changes that will improve residential energy use by 15 percent over the current model code – by far the largest gain in efficiency since the model energy code was established. EECC works closely with the U.S. Conference of Mayors, and it has seen its ranks swell in its first full year of operation to over 20 private and public sector organizations.



Targeting both residential and commercial building codes at the state and local levels, the Building Codes Assistance Project (BCAP) has grown its cadre of participating organizations and engaged with several new entities such as the National Governors Association. In 2008, BCAP supported amendments at local and state levels, and assisted many local governments in evaluating viable options for increasing efficiency beyond model code levels. BCAP also began designs for a new national networking website and a new

advocacy campaign to improve collaboration on code adoption efforts across the country.



In 2008 the Alliance promoted energy efficiency in the industrial sector by joining forces with the Department of Energy (DOE) and others to develop a certification program for energy-efficient industrial facilities while also supporting energy-use optimization in industrial facilities through DOE’s Save Energy Now initiative. Meanwhile, the Efficient Windows Collaborative expanded its outreach and training to support market development in efficient window systems by counseling public and private organizations about the potential savings of energy-efficient window technology.



Ben Taube, SEEA
Executive Director
(Atlanta)

States in the southeast U.S. continued to benefit from the programmatic work of the Southeast Energy Efficiency Alliance (SEEA), which in 2008 teamed up with several SEEA Associates and enlisted the support of many state energy offices. SEEA also completed a regional assessment of energy efficiency potential for the Appalachian

Regional Commission, and convened the first of a planned series of meetings for information-sharing among State Energy Offices in the region. Finally, SEEA secured foundation seed funding to prepare for a metropolitan energy efficiency initiative, to be launched in a selected metropolitan area in the southeast region and modeled on the Cambridge Energy Alliance.



Policy

Passed on December 19, 2007, EISA set the pace for Alliance policy activity in 2008. Throughout the year, both the Policy and the Buildings Teams continued to fine-tune proposals for appliance standards, while also rallying even greater political support around legislation for advanced building codes that were omitted last-minute during the passage of EISA.

Through congressional testimonies and briefings, the Alliance educated policymakers on the importance of improving the nation's building stock through better and more strongly enforced building codes as well as through the research and development of net-zero energy building design. And the message was heard: the House and the Senate proposed funding for the Commercial Building Initiative, a program that supports development and deployment of energy efficiency technology in buildings.



In 2008, the Alliance proceeded to tackle energy waste in federal government operations through the Government

Energy Leadership Action Team (GELAT), a coalition of Alliance Associates and other energy efficiency advocates whose work led to passage of Section 432 of EISA 2007. Founded and led by the Alliance, GELAT continued to develop a working plan for federal energy management activities, joining the Department of Energy's Section 432 Working Group mid-year and issuing recommendations to ensure full implementation of Congress' intent of this important piece of legislation.

The Alliance was pleased to witness the extension and renewal of energy efficiency tax incentives first authorized in EPAct 2005, a cause for which it had gathered tremendous bipartisan support. It is a victory to be shared with consumers, who will now see an even greater return on their investments in energy-efficient products and services.

Another priority on the Alliance's 2008 agenda was to position energy efficiency as a viable solution to climate change. Throughout much of 2008 the Alliance initiated bipartisan efforts in both the House and the Senate in order to procure a sizable role for energy efficiency in future climate change legislation. And although these efforts came to an early close in June 2008 when the Alliance-supported Boxer Amendment to the Lieberman-Warner Bill failed to attain cloture vote, there is no question that energy efficiency is now recognized as an integral component of the debate on climate change legislation.



President Barack Obama speaking at an Alliance event.

Mindful of the seismic political and economic shifts to come, the Alliance has developed and promoted a series of energy efficiency recommendations for the imminent economic stimulus package. Brought to the attention of policymakers, media and energy advocates, these are recommendations that the Alliance believes can rejuvenate all sectors of the economy in an energy-wise manner.

International

Collaborating with international partners, the Alliance reinforced energy efficiency programs in its current areas of operations while also securing significant funding for future energy efficiency projects, many of which are in partnership with Alliance Associates.

In Albania, Bosnia and Herzegovina, Macedonia, Moldova and Serbia, the Alliance International Team worked with the International Resources Group and regional partners on a USAID/Hellenic Aid project to develop a program that targets energy efficiency in residential and public buildings. Anchored by strategic partnerships with other international NGOs and governments in these countries, the program takes a holistic approach to energy efficiency as a means of economic development.

The Alliance International Team continued to cultivate water and energy products in India, where it has worked for over a decade. With funding from the Renewable Energy and Energy Efficiency Partnership, the International Team is providing technical advisory services to a quasi-financial institution in Tamil Nadu, which will undertake municipal water and energy efficiency projects in 29 towns under energy performance contracting. In addition, the International Team assisted the World Bank and Karnataka State in preparing for municipal water and energy efficiency projects in six towns of Karnataka.

Also in India, the team helped carry out municipal energy efficiency projects in Gujarat through USAID's ECOIII program by organizing a pre-bid meeting for energy service companies that attracted 20 expressions of interest for 150 energy efficiency projects such as street-lighting and water supply programs, and eight bids for 10 pilot town projects. As part of the ECOIII program, the Alliance was asked to help launch and act as the Secretariat for a

new non-government organization, the Alliance for an Energy-Efficient Economy (AEEE). AEEE has expressed its intention to reference the Alliance as it devises strategies to facilitate collaboration among the country's energy efficiency industries, service providers and policymakers.

Further afield in South Africa, the International Team managed three USAID-funded Watergy projects addressing challenges such as water waste and illegal water use by offering cost-effective solutions that are compatible with the



A Watergy Program in South Africa sees a commitment from the whole community.

needs of local communities. The South Africa project team also completed a school plumbing repair and learner education project under Coca Cola South Africa's Water for Schools program which enabled and empowered schools in disadvantaged communities to improve their water-use



efficiency and access to basic sanitation.

Finally, the International

Team carried out Watergy projects with utilities in three cities in Mexico, greatly reducing water losses and achieving large energy- and cost-savings, and increases in daily water service, in terms of both the number of inhabitants served and the number of

Associates Program

With 31 new members joining in 2008, the Alliance Associates Program boasts a total membership of 155. For the Alliance, the steady expansion of this program represents not only a growing interest in energy efficiency across all sectors of the economy, but also opportunities to convene an ever-expanding cadre of business, academic and political leaders supporting immediate deployment of energy efficiency.

The program explored new ways of keeping Associates up-to-date on energy efficiency news. The new weekly e-newsletter, *What Alliance Associates Need to Know*, offers information about Alliance and industry events, along with insight into the energy efficiency initiatives of Associates.

Fostering cross-collaboration among energy professionals is EE Noon, a monthly brownbag series featuring brief, topical presentations given by industry leaders, followed by what are typically animated Q&A sessions. This immensely popular series is held at the Alliance office in Washington, D.C.; it is open to the public, though only Associates may access the seminars via web conferencing.



(l-r) David Manning of National Grid; Rep. Steve Israel (D-N.Y.); and Alliance President Kateri Callaban at an Associates Breakfast in Long Island.

Now in its fifth year, our Associates Breakfasts and Lunches program continues to draw an impressive line-up of policy leaders and industry professionals. There were 11 of these policy networking events

in 2008, held in cities such as Little Rock, Ark., St. Paul, Minn., Chicago, Ill., Boston, Mass., and Smithtown, N.Y.

As in years past, the Alliance hosted a number of high-caliber networking industry events in 2008, such as the fifth annual Great Energy Efficiency Day during which 350 industry professionals and congressional staff gathered on Capitol Hill to hear keynote addresses from five members of Congress. In addition, our annual *Evening with the Stars of Energy Efficiency Awards Dinner* attracted a record 600 attendees, not to mention a stellar group of nominations for the seven Stars of Energy Efficiency Awards bestowed that evening. Preceding the event was an International Policy Leaders Dialogue, where global policy and business leaders discussed energy efficiency as a cost-effective means for carbon reduction.

In April 2009, the Alliance will host the Energy Efficiency Global Forum and Exposition – also known as EE Global – in Paris, France. Building upon the success of the first EE Global in Washington, D.C. in 2007, the Alliance is planning a one-of-a-kind event led by an all-star International Steering Committee responsible for designing the event's plenary sessions and recruiting its world-renowned speakers.

As our Associates Program continues to expand, so, too, does our reach. We would like to thank our members for their continued support, and welcome them to a new year with the Alliance Associates Program.



Kaj den Das of Philips Lighting North America (right) received the Chairman's Award from Alliance Chairman Senator Mark Pryor for his work on the Lighting Efficiency Coalition