

Wisconsin Energy Conservation Corporation

2004 ANNUAL REPORT



Fiscal 2004 generated notable successes in nearly every facet of the WECC operation. Among them:

This year's *Change-a-Light* campaign produced a record number of compact fluorescent lightbulb purchases in Wisconsin, solidifying the state's leadership status.

Our 2004 efforts were recognized by respected peers in the industry, as WECC was honored by ACEEE as one of five *Champions of Energy Efficiency* award recipients.

WECC's representation on the Governor's Task Force on Energy Efficiency and Renewables further established our position as a leading voice in policy and program development.

Awards & Accolades

2004 was a year for WECC to be recognized for our labors by national organizations. During the past year, WECC programs were independently honored on three separate occasions including:

- Last spring, **the American Council for an Energy-Efficient Economy (ACEEE)** feted WECC and its ENERGY STAR® qualified clothes washer promotion as an exemplary program for delivering substantial natural gas savings.
- In addition, the ACEEE recognized **WECC’s Apartment & Condo Efficiency Services Program**, funded by Focus on Energy, as exemplary for its outstanding natural gas energy efficiency program.
- WECC’s suite of ENERGY STAR® Programs, funded by Focus on Energy, received an **ENERGY STAR Leadership in Energy Efficiency Award** from the US Environmental Protection Agency. The program was honored for its statewide success in reducing greenhouse gas emissions by promoting homes and home products that use less energy.
- Finally in the fall, ACEEE honored WECC as a **Champion of Energy Efficiency** for “leadership and outstanding achievement in the field of energy and energy efficiency.”



(Pictured left to right) Janet Brandt, WECC; Sara Van de Grift, WECC; Kathleen Hogan, Environmental Protection Agency; Cheryl Rezabek, Wisconsin Division of Energy and Lynn Clement, WECC are shown here at the ENERGY STAR® Leadership in Energy Efficiency Award ceremony.

Our Mission

Wisconsin Energy Conservation Corporation is dedicated to promoting sound energy policy, and designing and delivering innovative energy efficiency services that:

- Provide affordable solutions to consumers’ energy needs, especially for consumers with limited incomes;
- Maximize the comfort, safety, durability, and energy efficiency of buildings;
- Educate consumers on options for making energy efficient choices;
- Reduce the environmental impacts of energy use, and;
- Promote economic development by increasing profitable opportunities for energy efficiency and renewable energy.

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Beyond Wisconsin

Dear Friends,

No year in recent memory has produced more validation for the WECC mission than 2004. Not only did we continue to prove the value of energy efficiency within the friendly confines of our tested and true programs, but we earned opportunities to expand our influence in vital new ways.

At the end of the fiscal year, **WECC won the competitive bid to administer Focus on Energy's Business Programs** – proof that our ongoing efforts in the Residential Programs have paid big dividends for both our sponsors and our communities. The opportunity to work with commercial, industrial and agricultural customers, with the same unwavering determination as we show their residential counterparts, is one we have not taken lightly. Never resting on the status quo, our program management team will seek out, test and refine marked improvements to the Business Programs as the next year progresses.

Wisconsin Governor Jim Doyle's Task Force on Energy Efficiency and Renewables represented another opportunity to participate in vital matters of long-term planning and industry advocacy. As a representative of WECC, George Edgar provided a unique perspective to the task force, whose recommendations may well guide state energy policy for years to come. Please join us in thanking George for his continued leadership and expertise!

In June, we were notified that **WECC would be honored as an ACEEE Champion of Energy Efficiency** – fitting testimony that we continue to solidify our place in the energy efficiency community outside Wisconsin. "WECC's work over the years has made energy efficiency a part of the Wisconsin landscape," ACEEE proclaimed, "helping make the state an efficiency beacon for the Midwest and beyond."



As we've continued to prove the value and universal transferability of solid program design and administration, we are gaining a clearer glimpse into the opportunities of the future. More and more every day, **we're showing that effective program designs can work anywhere – both in Wisconsin and throughout the country.** WECC remains dedicated to developing innovative program models that are the benchmark for measuring success.

Here's to a smart, prosperous 2005!

Janet Brandt
Executive Director

Carol Fisher
President of Board

Financial Statement

REVENUE	
Focus on Energy Residential Program.....	19,575,045
Energy Finance Solutions.....	14,563,998
Focus on Energy Renewable Energy Program.....	2,265,411
Other Energy Efficiency Programs.....	1,814,452
Low Income Programs and Services.....	1,224,399
Other Consulting and Miscellaneous.....	598,339
TOTAL REVENUE.....	40,041,644
EXPENSES	
Salaries and Fringe.....	3,264,545
Indirect Costs.....	791,822
Direct Costs.....	841,912
Marketing.....	2,072,226
Subcontracts.....	5,854,463
Participant Rewards, Ally Incentives.....	13,095,359
Energy Finance Solutions Loan Transactions.....	14,036,143
TOTAL EXPENSES.....	39,956,470
Increase in Net Assets.....	85,174
NET ASSETS	
June 30, 2004.....	3,485,835

ENERGY SAVINGS*

PROGRAM TITLE	kWh	kW	Therms
Apartment & Condo Efficiency Services.....	9,896,869	4,768	499,767
Energy Finance Solutions.....	1,133,639	635	181,790
ENERGY STAR Products.....	186,380,113	7,137	731,086
Home Performance with ENERGY STAR.....	12,703,207	8,445	552,389
Renewable Energy Program.....	417,635	222	194,015
Targeted Home Performance with ENERGY STAR.....	498,965	88	140,582
Wisconsin ENERGY STAR Homes.....	2,326,409	773	186,812
Other Commitment to Community Programs.....	16,927,451	5,585	84,563
Total Across All Programs.....	230,284,288	27,654	2,571,004

*Numbers include all programs administered and run by WECC.

Cost of Conserved Energy

COST OF CONSERVED ENERGY	
kWh.....:	\$0.016
kW.....	\$93.18
Therms.....	\$0.214

WECC's Focus on Energy Residential Initiatives Only - Year Ending June 30, 2004.

Calculating the cost of conserved energy enables us to compare efficiency programs to the alternative of producing additional energy. The costs shown above reflect only WECC's Residential Programs funded by Focus on Energy; the costs are calculated using verified gross annual savings divided by program costs.



Market Providers

In 2004, WECC partnered with these organizations to deliver energy efficient goods and services:

50 renewable product and service providers who specify and install renewable energy technologies.

43 consultants who improve energy efficiency in homes and multifamily units through the Home Performance with ENERGY STAR Program.

353 home builders who construct Wisconsin ENERGY STAR Homes.

863 retailers who sell ENERGY STAR qualified products such as lighting and appliances.

1,071 heating, ventilation and air conditioning contractors who sell and install energy efficient heating and cooling equipment.

Year in Review

Education/Outreach

From residential programs to renewables, mass outreach to one-on-one education, fiscal 2004 was a year for the record books at WECC. We touched more people, inside Wisconsin and out, than ever before.

Our continuing emphasis on education was evident throughout the year. Participating in the **WE Energies Energy Park** at the **2003 State Fair** in Milwaukee provided an opportunity to talk directly to consumers about energy efficiency benefits. Farther north, we conducted workshops and fielded questions in the Focus on Energy tent at the **Midwest Renewable Energy and Sustainable Living Fair**, near Stevens Point.

Our relationships with market providers flourished in 2004. The **Better Buildings, Better Business Conference** brought together over 500 builders, contractors, consultants and manufacturers, providing WECC with a forum to mentor design and building strategies for high-performance residential buildings. **Builders Associations** across Wisconsin—including the Fox Valley and Milwaukee associations—have recognized the value of building science education and performance testing as a vital component in better business practices.

While staff delivered a variety of presentations to market providers and consumers, we also remain committed to one-on-one conversations about energy. To that end, the **Information Center** fielded nearly 42,000 phone calls in the last fiscal year. That's an average of over 160 calls each business day!

Programs

Consumers and market providers alike responded to our programs and promotions in record-setting numbers this year. Consider:

- Over 11,000 ENERGY STAR qualified clothes washers were sold in Wisconsin, making the **Start The Savings Cycle** promotion a resounding success;
- About 17,500 Wisconsin consumers participated in the **Home Performance with ENERGY STAR** Program in fiscal '04. This included efficient heating, ventilation and air conditioning equipment, insulation and other energy improvements;
- Wisconsin's **Change a Light, Change the World** campaign resulted in Cash-Back Rewards on over 1.3 million compact fluorescent lightbulbs—three times the rest of the Midwest, combined! That's one reward for every four Wisconsin residents, making Wisconsin's effort the most successful in the nation.

Twenty-five years into our mission, WECC's low-income services continue to reach new milestones. The **Targeted Home Performance with ENERGY STAR** Program—a program delivered through private contractors and State weatherization agencies—provided home energy efficiency improvements for 305 families, more than a 100% increase over 2003!

From emergency furnace and water heater replacements, to whole-house energy efficiency projects, this program changed hundreds of lives for the better. WECC also continued to support the State's Low Income Energy Service Programs with technical assistance and training and, beginning in 2004, quality assurance services.

For their part, Wisconsin builders continued to promote the value of **Wisconsin ENERGY STAR Homes** certification to new homeowners. Small and large-volume builders alike combined to build 1,522 Wisconsin ENERGY STAR Homes throughout the state—a hefty increase over fiscal '03's total of 883.

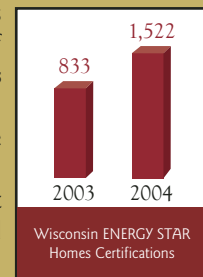
Energy Finance Solutions continued to help qualified homeowners in Wisconsin and ten other states, of all income levels, obtain assistance for eligible energy efficient improvements. During the last year, Energy Finance Solutions, through assistance with financing and/or funding of low-income grants, helped 2,238 homeowners install over \$16,700,00 of energy efficient improvements.

Renewable Energy

As part of the Focus on Energy Renewable Energy Program WECC helped in the development of a new company—**Solar Mining Company**, which created their own solar panel manufacturing facility in Green Bay. Solar Mining has already secured a variety of contracts, including a half dozen state-owned facilities and numerous private sites.

The **Apartment & Condo Efficiency Services** Program continues to capture the attention of developers, building owners and managers. Four solar domestic water heating installations were completed in 2004, setting the stage for an even better 2005.

Please join us in congratulating the dedicated WECC staff on these and the numerous other milestones achieved in the recent fiscal year!



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“What’s Inside”

- THE YEAR IN REVIEW
- AWARDS AND ACCOLADES
- BIG SAVINGS

