



**ALLIANCE TO  
SAVE ENERGY**  
*Creating an Energy-Efficient World*

**POWERING A NEW AGE OF ENERGY EFFICIENCY**

*Annual Report 2007*



# 1 MESSAGE FROM THE PRESIDENT AND CO-CHAIRMAN

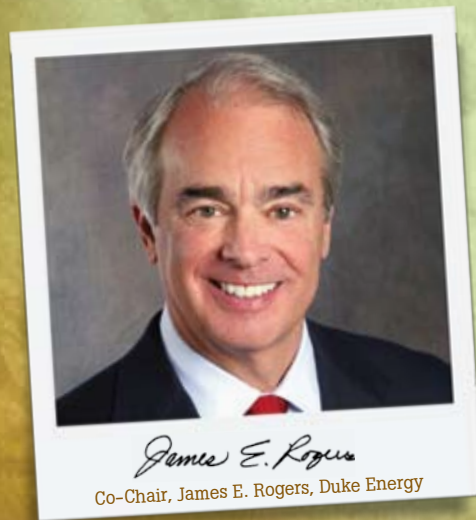
## Our Energy Future



For the second time in the Alliance's 30-year history, America's collective attention has fixed upon the viability of our energy future.

It was only a matter of time. Energy, defined by our current levels of consumption, poses a critical challenge to our economy, our environment and our security. This 'perfect storm' of conditions – exacerbated by our lack of a coherent national energy plan – demands our collective and undivided search for solutions.

The Alliance to Save Energy offers one of the central solutions to overcoming our current energy crisis – one that does not thwart economic progress with stringent measures, but fairly adjusts energy consumption and lessens our impact on the environment. This solution is energy efficiency.



Since its founding by Senators Charles H. Percy and Hubert Humphrey during the Arab oil embargo of the 1970s, the Alliance has promoted energy efficiency as the cornerstone upon which the world can build a sustainable energy future. Within energy's limits, the Alliance finds possibilities, and encourages innovation and best practices.

Leading the advance in energy efficiency, the Alliance has amassed tremendous support among businesses, NGOs and government leaders over the years. A nonpartisan, reliable, respected advocate of energy efficiency that draws allies from all corners of the political, academic and corporate sectors, the Alliance fosters unity around an issue that affects us all.

In 2007, as public awareness of energy efficiency increased, many answered the Alliance's call to action. We witnessed countless situations in which government, academic, business and community leaders worked together to employ energy efficiency – a clean, limitless, 'home-grown' fuel – in a variety of contexts.

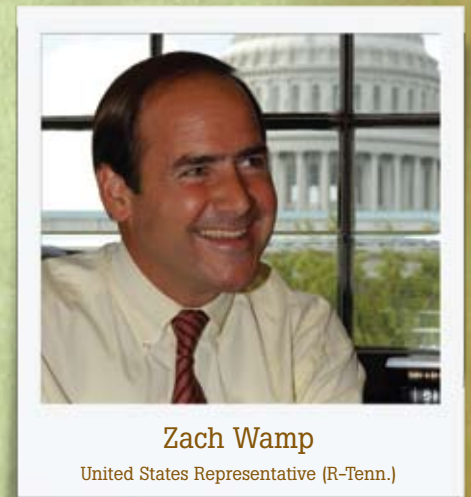
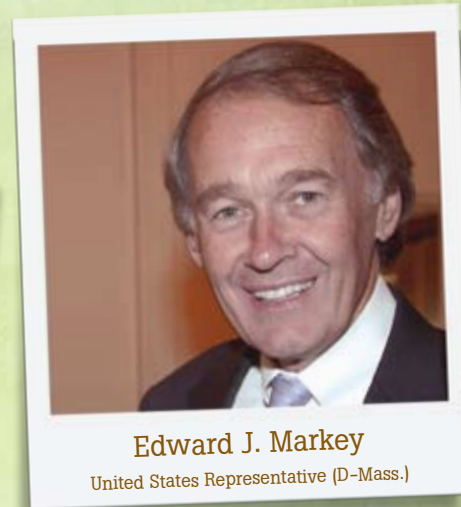
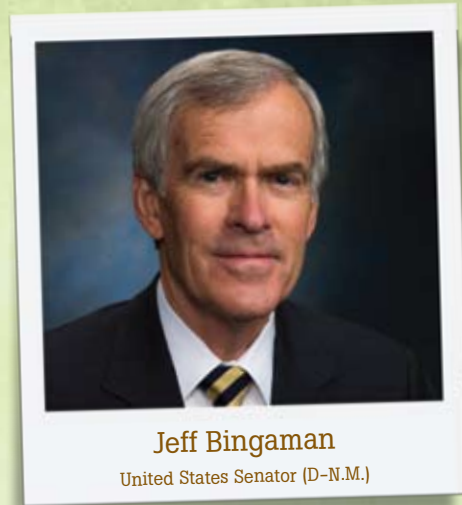
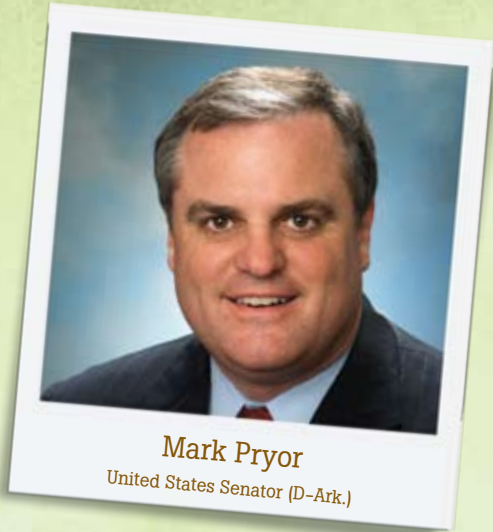
Chief among these collaborations was the cross-sector, bi-partisan movement – driven by the Alliance and its allies – to enact the most sweeping energy efficiency legislation in our country's history: the Energy Independence and Security Act of 2007 (EISA). With the signing of EISA into law comes the ability to deploy energy efficiency as a linchpin of our nation's energy security and economic stability, set against the backdrop of a healthy environment.

Notwithstanding the many victories and progress, spurred by the Alliance and recounted in this report, there is much to be done. As a global community, we must now join with our neighbors from around the world to combat the most daunting environmental imperative of our lifetime – one that requires a complete transformation in the way Americans use energy to power our lives.

As we seek to tackle global climate change and redefine energy use in new terms, our leaders will look toward experts to guide us in the right direction. The Alliance is prepared to answer this call and to use its abundant resources to create a new age of energy efficiency.



*The Alliance is proud to receive counsel from its esteemed  
Honorary Vice-Chairs, who bring to our Board insight and  
expertise garnered from years of dedicated public service.*







In order to instill a fundamental appreciation of energy efficiency among today's youth, the Alliance Green Schools and Green Campus programs engage grade school, high school and college students in projects and dialogues about energy efficiency, and help them develop a practical knowledge of this resource and its uses in everyday life.

In 2007, the Alliance Green Schools Program added Miami Dade County in Florida to its roster of participating school districts, bringing the total number of schools to

STUDENT-DRIVEN OUTREACH AND MARKETING CAMPAIGNS AT THE 12 CALIFORNIA PUBLIC UNIVERSITY CAMPUSES PARTICIPATING IN THE ALLIANCE GREEN CAMPUS PROGRAM INFORMED AND EDUCATED OVER 462,500 PEOPLE BETWEEN JANUARY AND DECEMBER 2007.

15. Throughout the nationwide program, students assumed leadership in several successful campaigns, including a compact florescent light (CFL) bulb exchange in the Southern California Green Schools Program that resulted in the switch-out of more than four times as many bulbs as targeted. At Sultana High School in Hesperia, Calif., the results of a student-administered district office energy audit prompted the superintendent to include energy efficiency recommendations in the district employee handbook. Students at River Hill High School in Howard County, Md., performed more than 100 home energy audits in their community.

In 2007, the Alliance Green Campus Program grew to 13 participating universities, including the addition of its first private institution, Stanford University in Palo

*"I consider our interns to be an extension of my position as campus energy manager, with a direct focus on energy conservation projects. The students' youthful enthusiasm, genuine concern for the environment and ability to educate and motivate others allow them to achieve participation and buy-in from a wide variety of campus stakeholders."*

Dennis Elliot, Manager  
Engineering and Utilities, California Polytechnic State University  
San Luis Obispo, California

Alto, Calif. Meanwhile, Alliance Green Campus interns developed innovative and educational energy-saving projects. For example, at California State University Chico, interns researched and initiated a network-based power management project that ultimately secured them an energy-cost rebate check for over \$48,000, as well as a program-wide energy savings of 270,000 kWh. Overall, student-driven outreach and marketing campaigns at the 12 California public university campuses participating in the Alliance Green Campus Program informed and educated over 462,500 people between January and December 2007.

Having achieved 100% of state-established program goals in 2007, the Alliance Education Team received a performance bonus of more than \$300,000 from the California Public Utilities Commission for its stellar work. Through the efforts of its Education Team, the Alliance will continue to inspire energy efficiency awareness among today's youth, in order to prepare them for tomorrow's energy challenges.



Alliance Green Schools and Green Campus programs focus on cultivating a new generation of energy efficiency professionals.

Take Ashley O'Neill (pictured left), who entered the green collar workforce soon after graduating from college. Ashley was introduced to the Green Schools Program at Sultana High School in Hesperia, Calif.; she later joined the Green Campus Program at California State University (CSU) San Bernardino as a paid intern during her junior year.

Rising to the position of Team Manager after one year, Ashley directed the program's focus to achieving measurable energy savings: she and a junior intern at CSU Bernardino facilitated several building and office audits, and presented their findings to high-level university officials and community organizations such as the Green Valley Initiative.

As Ashley's training and networking skills developed in the context of these Green Campus initiatives, so did her interest in a career in energy efficiency. So, when Southern California Edison (SCE) offered Ashley a post-college position working with low-income households in their Energy Efficiency Division, she gladly accepted. Ashley started working in the summer of 2008 as a Marketing Analyst for SCE's California Alternate Rates for Energy (CARE) program.

Meanwhile, the new Green Campus intern team at CSU San Bernardino continues projects initiated by former interns like Ashley, while also developing a few of their own.



## 7 COMMUNICATIONS TEAM



The Alliance assumed critical importance in 2007 as energy prices hit historic heights. Through innovative campaigns and strong partnerships, the Alliance Communications Team focused on its best “weapon” in the fight against energy waste: consumers.

As high energy prices made the papers and hit the airwaves, the Communications Team empowered citizens to tap into their greatest defense against soaring costs – energy efficiency – by responding with winter energy-saving tips, fuel economy prices and reviews of the latest energy-efficiency appliances on the market.

A recognized and reliable source for matters of energy efficiency, the Alliance maintained a regular presence in *The New York Times*, the *Washington Post*, *The Wall Street Journal*, and news channels MSNBC, CNBC and CBS. The Alliance also reached important niche markets through special interest magazines, such as *Better Homes and Gardens (BHG)*, host of the Living Green Advisory Board, which Alliance President Kateri Callahan joined in 2007. As one of four panel members, Ms. Callahan offers *BHG's* 80 million readers simple yet effective ways to adopt energy-efficient lifestyles.

Dynamic campaigns drove the message of energy efficiency far and wide. The Alliance’s humorous Super Powers Public Service Announcements (PSAs) resulted in



more than \$28 million of donated airtime on over 1,000 networks and stations in every state, generating over 3.9 billion audience impressions – more than 90 times the original campaign investment.

Finding strength in numbers, the Alliance joined forces with a number of partners in an effort to help consumers cope with rising energy prices. *The Eureka \$mart House Energy Efficiency Challenge*, sponsored by the Edison Electric Institute (EEI) and NBC Universal's Sci-Fi Channel, among others, resulted in a successful TV and website campaign encouraging homeowners to make energy efficiency upgrades a household priority (see inset).

A new campaign took flight in 2007: the *Drive \$marter Challenge (D\$C)*, a one-year, nationwide consumer education and outreach campaign borne of a strategic Alliance partnership with the Wal-Mart Foundation and 18 other partners. Through an interactive website and effective viral messaging, *D\$C* helps consumers suffering from record high prices at the pump by teaching them how to cut fuel usage with simple driving and car maintenance tips.

*"The Alliance gives that non-biased, focused, authoritative view... People say, 'When the Alliance says it, it really must be true.'"*

Alliance Board Member Peter Smith, Ph.D.  
Managing Director, Climate Change,  
Energy and the Environment Group  
The Pataki-Cahill Group

## THROUGH INNOVATIVE CAMPAIGNS AND STRONG PARTNERSHIPS, THE ALLIANCE COMMUNICATIONS TEAM FOCUSED ON ITS BEST "WEAPON" IN THE FIGHT AGAINST ENERGY WASTE: CONSUMERS.



In 2007, Cathy Clites (*pictured below, left*) of Baton Rouge, La., learned what hundreds of thousands of people touched by Alliance consumer campaigns have come to realize: energy efficiency is a household's best money-saving resource.

Cathy's interest in energy efficiency was sparked by the hit series *Eureka* on NBC Universal's SCI FI Channel, which partnered with the Alliance to promote a national movement for home energy efficiency called *The Eureka \$mart House Energy-Efficiency Challenge*. Through its website ([scifi.com/homemakeover](http://scifi.com/homemakeover)) consumers learned easy ways to reduce energy bills, energy waste, pollution and greenhouse gas (GHG) emissions. The Alliance also ran an online contest, with a \$20,000 home energy efficiency makeover as the grand prize.

For Cathy, the Alliance's energy-saving tips were crucial. Her four-bedroom, two-bathroom residence houses nine family members, including her medically disabled husband. At one point, the family sheltered Hurricane Katrina victims. Money was tight, so Cathy applied the energy efficiency tips she had learned on *Eureka* and the campaign website – such as changing light bulbs over to CFLs – to combat her \$500-a-month utility bills.

Cathy's energy efficiency initiatives took a dramatic turn when she was selected for the grand prize. Thanks to 23 product and service donors and funding partners, the Clites residence became a model of energy-efficient living. By bringing home the message of energy efficiency the Alliance can inspire significant lifestyle changes. All it takes is that one "Eureka moment."

### OUR CAMPAIGN PARTNERS

The Air-Conditioning and Refrigeration Institute  
American Gas Association  
CMC Energy Services  
Consumer Electronics Association  
The Dow Chemical Company  
Edison Electric Institute  
NBC Universal's SCI FI Channel  
OSRAM SYLVANIA  
U.S. Department of Energy  
Whirlpool Corporation

## 9 BUILDINGS TEAM

The homes we live in, the offices we work in and the facilities we frequent represent the largest share (40 percent) of the nation's total energy use and GHG emissions, with industry contributing another 32 percent, according to the Department of Energy's Energy Information Administration. To improve energy efficiency in this sector, the Buildings Team executed programs that target commercial and residential buildings, utilities and industry.

To first slow, and then reverse, the unsustainable increase in building sector energy use, the Alliance generated a series of new initiatives within the Building Codes Assistance Project (BCAP), which, for the past 13 years, has assisted state and local governments in adopting and implementing effective building energy codes. In 2007, BCAP expanded efforts to address energy code compliance issues, while also attending to the growing interest among elected state and community officials in achieving energy and carbon savings. These imperatives have led to a revamping of BCAP's website ([www.bcap-energy.org](http://www.bcap-energy.org)), expanded collaborations with regional energy efficiency organizations and new funding from The Energy Foundation.

The Alliance also continued to influence the building sector through the Efficient Windows Collaborative, which in 2007 advised window designers and manufacturers, utility companies, the U.S. Green Building Council and the National Association of Home Builders on efficient window systems.

Driving change at the state level, the Alliance assisted two natural gas utility companies in Indiana – Vectren Energy Delivery of Indiana and Northern Indiana Public Service Company – with the competitive selection of third-party administrators to plan and implement new demand-side management programs.





*"The Alliance showed great foresight in working with EEl and others to unite a diverse and broad-based coalition to collectively confront the last great frontier of wasted energy – America's homes. The comprehensive integrated campaign of the EECC, housed at the Alliance, represents a new and aggressive approach to ending two decades of stagnant model energy efficiency codes for new home construction."*

Tom Kuhn, President, Edison Electric Institute

Providing regional assistance in energy efficiency is the Southeast Energy Efficiency Alliance (SEEA), a subsidiary of the Alliance incorporated as an independent 501(c)3 in the State of Georgia in 2007. SEEA's mission is to address rising energy demands in the southeastern states; this year, it added seventeen more Associates to the roster, while also enlisting the support of Governors Crist (R-Fla.) and Bredesen (D-Tenn.) in the new Southeast Governors Coalition on Energy Efficiency. Also in 2007, SEEA received three-year funding from the U.S. Environmental Protection Agency (EPA), as well as funding from the Appalachian Regional Commission for a one-year energy efficiency study.

The Buildings and Policy Teams worked closely this year to develop a series of policy recommendations on energy efficiency in residential, commercial and public buildings for the Presidential Climate Action Project (PCAP). With their support, the Alliance played a leading role in the Lighting Efficiency Coalition. Composed of leading manufacturers and efficiency advocates, the Coalition made recommendations that were subsequently enacted into law, and will lead to a phase-out of today's inefficient incandescent light bulbs by the year 2014.

A bold new project was launched in 2007: the Energy Efficient Codes Coalition (EECC), an Alliance-led campaign working to establish improved energy efficiency for all new residential construction by 30 percent, through the national model energy code. Like many Alliance campaigns, the EECC is a broad coalition of interests that capitalizes on key partnerships and political savvy – in this case, to drive change in the building sector.

Until 2007, there was no comprehensive national program targeting energy use of commercial buildings, which accounts for nearly half the GHG emissions and energy consumption of U.S. buildings. Enter the Zero Energy Commercial Building Initiative (CBI), authorized in EISA 2007.

With seed funding from DOE, the Alliance, along with several other national organizations, developed a planning framework and convened two major national workshops to help move new and existing commercial buildings toward that long-term goal of "zero net energy" (i.e., a building that uses no more energy in a year than it can produce from renewable resources). The CBI concept incorporates market forces, enhanced policies at the national and local levels, design innovation and emerging technologies.

Though Congress has yet to appropriate significant funds for CBI, the program has garnered support from advocates such as Sen. John Kerry (D-Mass.) and Rep. Steve Israel (D-N.Y.). With future funds, the Alliance and its allies will continue to work with DOE as well as a broad range of public and private partners to implement the CBI vision, and deliver a new generation of high-performance, ultra-low-energy, sustainable commercial buildings.

More information at [zeroenergycbi.org](http://zeroenergycbi.org).

Awarded the U.S. Green Building Council's Certificate of Leadership in Energy and Environmental Design (LEED), the National Institute for Computational Sciences and Multiprogram Research Facility at Oak Ridge National Laboratory in Tennessee is an example of a high-performance building.



BUILDING THE FUTURE

TO IMPROVE ENERGY  
EFFICIENCY IN THIS SECTOR,  
THE BUILDINGS TEAM  
EXECUTED PROGRAMS THAT  
TARGET COMMERCIAL AND  
RESIDENTIAL BUILDINGS,  
UTILITIES AND INDUSTRY.



## 11 POLICY TEAM

The year 2007 witnessed federal enactment of the most sweeping energy efficiency legislation in three decades, the Energy Independence and Security Act (EISA 2007), which contained progressive energy efficiency provisions. The Alliance was at the center of this history-making advocacy effort: Alliance staff testified before Congress on eight occasions, helped craft legislation and provided compelling data on the economic and environmental benefits of key provisions

– to the degree that the improved standards for home appliances and lighting products (see inset) included in EISA together amount to about 20 percent of the overall energy savings in the bill.

Other Alliance-supported provisions within EISA included long-awaited increases in the Corporate Average Fuel Economy (CAFE) standard for

cars, light trucks and SUVs to 35 mpg by 2020. The CAFE increase is expected to reduce U.S. oil consumption by more than 2 million barrels per day by 2030 – equal to about one fifth of current light-duty vehicle oil consumption.

The Alliance formed the Government Energy Leadership Action Team (GELAT) to develop new approaches to federal energy management. GELAT subsequently





played a major role in the crafting of Section 432 of EISA, which requires agencies to designate energy managers for individual buildings. These managers are responsible for identifying and implementing cost-effective energy-efficiency opportunities and measures, and are also required to document the results of facility evaluations in a web-based reporting system developed by DOE. In addition, GELAT helped to secure permanent authorization of Energy Saving Performance Contracts (ESPC) in EISA, thus providing a reliable source of energy efficiency funding for agencies and for ESPC contractors.

The Alliance also issued several key reports in 2007, including *Energy Efficiency in Data Centers: a New Policy Frontier*. This inventory of energy efficiency opportunities in U.S. data centers provided groundwork for a Congressionally mandated study by the U.S. EPA.

Two Alliance reports, *Reducing Carbon Dioxide Emissions through Improved Energy Efficiency in Buildings*, and *Reducing Greenhouse Gas Emissions in Federal Buildings, Facilities and Vehicles* formed the basis for two chapters of the Presidential Climate Action Project (PCAP), which

will provide the next President of the United States with guidelines for reducing GHG emissions to 80 percent below 1990 levels by 2050.

The Alliance also worked closely with major oil and gas companies and other stakeholders, helping to research and write the National Petroleum Council report, *Facing the Hard Truths About Energy*, which urges Congress and the President to take strong action to address growing threats to America's energy future. Reducing energy demand was foremost of the report's recommendations, along with establishing a price for carbon to provide greater investment certainty.

This year the Alliance began to formally develop a set of climate change principles as part of an overall climate change strategy. Here, Alliance Associates provided insight from a

broad spectrum of industries and regions, helping staff build expertise in the intricacies of climate policy design. With the 111th Congress soon to commence, the Alliance is poised to play a leading role in gaining passage of a carbon pricing policy and ensuring a strong role for energy efficiency as a way to reduce the nation's carbon emissions.

*"The Alliance to Save Energy played a vital role in the development and promotion of the energy efficiency programs in EISA. With their policy expertise and ability to build support for energy policies - ranging from efficient light bulbs to zero-energy buildings to CAFE standards - the Alliance helped produce landmark energy efficiency legislation. I congratulate the Alliance for its outstanding effort."*

Alliance Honorary Vice-Chair  
Senator Jeff Bingaman (D-N.M.)

THE ALLIANCE IS POISED TO PLAY A LEADING ROLE IN GAINING PASSAGE OF A CARBON PRICING POLICY AND ENSURING A STRONG ROLE FOR ENERGY EFFICIENCY AS A WAY TO REDUCE THE NATION'S CARBON EMISSIONS.

If every American home replaced its five most frequently used light fixtures or the bulbs in them with efficient lighting products, Americans would save \$8 billion each year in energy costs, and prevent the equivalent in GHG emissions from nearly 10 million cars.

To help instigate such sweeping changes, the Alliance worked with Philips Lighting North America, OSRAM SYLVANIA, General Electric, the Natural Resources Defense Council, the American Council for an Energy-Efficient Economy, National Electric Manufacturers Association and others to form the Lighting Efficiency Coalition (LEC). The LEC developed and advocated efficiency standards included in EISA 2007, which call for a phase-out of today's inefficient incandescent light bulbs by the year 2014.



If fully implemented, the lighting provision in EISA could save consumers approximately \$18 billion annually on their electricity bills; reduce the need for 30 baseload power plants; and avoid 158 million tons of carbon dioxide and 5,700 pounds of airborne mercury emissions. By helping to develop the most important appliance standard in history, the LEC represents all that the Alliance strives for: measurable progress in energy efficiency.

## 13 INTERNATIONAL TEAM

As the Alliance's worldwide ambassador, the International Team is responsible for messaging and implementing energy efficiency across sectors, borders and cultures. In 2007, the Alliance was able to strengthen its global presence, forging strategic partnerships with NGOs, businesses and governments.

In India, the Team added a new 18-month project funded by the Renewable Energy and Energy Efficiency Partnership (REEEP) to its repertoire of India-based projects, which includes the ongoing USAID/India ECO III project. With funding from the International Finance Corporation, the Alliance authored the *Manual for Development of Municipal Energy Efficiency Projects* – a clear and practical tool that guides municipalities and Energy Service Companies (ESCO) through the process of financing and implementing municipal projects in energy efficiency. After ten years working on the Indian subcontinent, the Alliance is now eligible to receive direct funding from the Indian public sector through its branch office in Bangalore.

Work in South Africa continued with two Alliance Watery projects, both partnerships with Re-Solve, a local consultancy started by former Alliance staff. These include an ongoing project with Increasing Sustainability of Local Government Services (ISLGS), funded by USAID Mission; and a smaller schools project funded by the Coca Cola Foundation Africa. The ISLGS program provided technical assistance to a total of 11 municipalities for the implementation of around 30 projects, which reaped energy savings of more than 800,000 kWh; water savings of around 1,000,000 kiloliters over the course of nine months; and improved service delivery to more than 28,000 households. With funding from the Coca Cola Foundation Africa, the Alliance ran a





*"The [Alliance-initiated] Watergy program has provided us with the know-how and awareness to identify and implement energy-efficient opportunities for the long run. Energy is now a key part of our business and our planning process."*

Dr. K.P. Krishnan, Managing Director  
Karnataka Urban Infrastructure Development  
and Finance Corporation (India)

project that repaired plumbing fixtures at 14 schools; trained school caretakers in basic plumbing skills; and educated students and teachers in water and energy efficiency.

Also in 2007, a new Watergy entity was established in Mexico. Called Watergy Mexico AC, this non-profit will receive its 2008 funding through USAID, as well as through a growing number of other sources in Mexico and the donor community. Among Watergy's goals is increasing daily water service while also reducing water losses – all through improved, energy-efficient water systems implemented throughout a number of cities in Mexico.

The Alliance was able to customize a successful project to meet the energy needs of Ukraine, which has long been dependent on Russia for natural gas. The Ukraine Industrial Energy Efficiency Initiative – a collaboration of the Alliance and International Resources Group – aimed to reduce natural gas consumption, or in some cases completely eliminate dependency on natural gas of the specific enterprise. Upon completion of this successful project, the Alliance organized a trade mission to introduce U.S., Canadian and European ESCOs and energy-efficient equipment manufacturers to Ukrainian industrial enterprises, banks and ESCOs.

The Alliance explored new territory in 2007, when it initiated an energy efficiency project in China. With support from DOE, the Alliance is establishing a Demonstration

Center of Energy Efficiency Technologies in the Building Sector in Beijing. For this project, the Alliance will recruit U.S. companies interested in promoting their building-related technologies in China. The Alliance also worked with DOE in China on two significant green building events: the Intelligent Green and Efficient Building Conference, and the Expo and Global Construction Summit.

Setting the groundwork for future projects in Central and Eastern Europe, the Alliance published and disseminated two major studies on this region – one on urban heating, the other on residential energy efficiency and affordability. Having clearly and comprehensively addressed energy imperatives in this area of Europe, the Alliance is set to lead the energy efficiency team for USAID's energy security program in southeast Europe in 2008.

It is through the International Team's efforts that the Alliance has gained a global presence and attracted international partners – both key components to the Alliance's strategy for placing energy efficiency at the center of the world energy debate.

**THE ALLIANCE WAS ABLE TO  
STRENGTHEN ITS GLOBAL  
PRESENCE, FORGING  
STRATEGIC PARTNERSHIPS  
WITH NGOs, BUSINESSES AND  
GOVERNMENTS.**



Inspired by the concept of energy efficiency as a viable solution to a global energy crisis, the Alliance hosted the world's first forum on energy efficiency in 2007. Called Energy Efficiency Global Forum and Exposition (EE Global), the three-day inaugural event was held in Washington, DC, and drew upwards of 850 exhibitors, speakers, media and attendees representing 32 countries.

For the energy efficiency industry, EE Global 2007 was truly a historic event. Powered by a dynamic roster of academic, political and business leaders from around the world, the Plenary and Executive Dialogue sessions gave delegates

a global perspective on the present applications and future potential of energy efficiency. At this one-stop-shop for energy efficiency, attendees networked and conducted business, explored the latest energy-efficient technologies from 79 exhibiting organizations and listened to presentations from nearly 200 of the industry's leading voices.

As the host of this premier gathering, the Alliance gained even greater recognition within the global energy efficiency community. Building on the success of this event, the Alliance will host the second EE Global in 2009. Set in Paris, France, EE Global 2009 will continue to chart a course for global energy efficiency.

**eeGLOBAL**  
2009 ENERGY EFFICIENCY  
GLOBAL FORUM & EXPOSITION

**APRIL 27-29, 2009**  
PALAIS DES CONGRÈS • PARIS, FRANCE  
EEGLOBALFORUM.COM

- 1E
- 3M Company**
- Acuity Brands Lighting
- Advanced Micro Devices, Inc. (AMD)**
- Advanced Power Control, Inc.
- The Air-Conditioning, Heating and Refrigeration Institute
- The Alliance "The New Energy of Ukraine"
- American Association of Blacks in Energy
- American Chemistry Council
- American Council for an Energy-Efficient Economy (ACEEE)
- American Council On Renewable Energy
- American Electric Power**
- American Gas Association (AGA)
- American Institute of Architects
- American Lighting Association
- American Petroleum Institute**
- American Public Power Association
- Andersen Corporation**
- AREVA**
- Armstrong International, Inc.
- ARUP
- Association of Energy Engineers
- Association of Home Appliance Manufacturers
- Association of State Energy Research & Technology Transfer Institutions
- Bank of America**
- Barnstable County/Cape Light Compact
- BC Hydro
- The Berkshire Gas Company
- BigFix
- Bonneville Power Administration**
- Bostonia
- Brookhaven National Laboratory
- Building Performance Institute, Inc.
- California Center for Sustainable Energy
- California Climate Action Registry
- California Energy Commission
- Calmac Manufacturing Corporation
- Canadian Energy Efficiency Alliance
- Cardinal Glass Industries
- Center for Environmental Innovation in Roofing
- CertainTeed Corporation
- City of Austin/Austin Energy**
- ClimateMaster
- CMC Energy Services, Inc.
- Con Edison Solutions
- Congressional Quarterly, Inc.
- Conservation Services Group
- Constellation Energy
- Consumer Electronics Association
- Copper Development Association
- CREE
- Current Energy LP
- Dallas/Fort Worth International Airport
- Dell, Inc.**
- Delta Montrose Electric Association
- Direct Energy**
- The Dow Chemical Company**
- DMJM Harris
- Duke Energy**
- Edison Electric Institute (EEI)
- Electric Power Research Institute
- Electricité de France International North America, Inc.
- E-Mon
- EnergySolve Companies
- Environmental Resources Management
- EPS Capital Corporation
- Exelon Corporation**
- Extruded Polystyrene Foam Association
- ExxonMobil**
- Fairchild Semiconductor**
- Florida Power & Light**
- Good Energies
- Great Plains Energy**
- Green Buildings Initiative
- Greener World Media, Inc.
- Greenfiber, LLC
- GridPoint
- Guardian Industries Corporation
- Hannon Armstrong
- The Home Depot**
- Honeywell International
- Hunter Fan Company
- ICF International



**Intel Corporation**

Intergy Corporation  
International Copper Association  
International Emissions Trading Association (IETA)  
Johanette Wallerstein Institute

**Johns Manville**

Johnson Controls  
Jupiter Oxygen Corporation  
Kentucky Office of Energy Policy  
Kimberly-Clark Corporation  
Knauf Insulation  
The Large Public Power Council  
Lawrence Berkeley National Laboratory  
Lehigh Technologies

Lockheed Martin

Manulife Financial

Maryland Energy Administration

Michelin North America, Inc.

Midwest Energy Efficiency Alliance

National Association of State Energy Officials

National Electrical Manufacturers Association

National Grid USA

National Insulation Association

National Renewable Energy Laboratory

National Rural Electric Cooperative Association

**New York State Energy Research and  
Development Authority**

Niagara Conservation

NORESCO

**North American Insulation Manufacturers  
Association**

Oak Ridge National Laboratory

OptimumEnergy

Orion Energy Systems

**OSRAM SYLVANIA**

Owens Corning

**Pacific Gas and Electric Company**

Panasonic

The Pataki-Cahill Group

**Philips Lighting Company**

Plumbing Manufacturers Institute

PNM Resources

Polyisocyanurate Insulation Manufacturers  
Association

**Procter & Gamble/Tide**

**PPG Industries**

**PSEG**

Rhodia

Rinnai Tankless Water Heater Corporation

Sacramento Municipal Utility District

**Safety-Kleen Systems, Inc.**

Salt River Project

**Schneider Electric**

**Sempra Energy**

Sensor Switch, Inc.

The Shelton Group

**Siemens Building Technologies, Inc.**

Snohomish County Public Utility District

Southeast Energy Efficiency Alliance

**Southern California Edison**

**Southern Company**

Spirax Sarco

TAS

Tennessee Valley Authority

Texas A&M University – Energy Systems  
Laboratory

Texas State Energy Conservation Office

**Trane**

The Trust Fund for Electric Energy Savings

University of Illinois – Energy Resources Center

U.S. Green Building Council

**Wal-Mart Stores, Inc.**

**Washington Gas**

Western Governors’ Association

**Whirlpool Corporation**

**White & Case, LLP**

*Names in **bold** denote Founder Level Associates.*

Independent Auditor's Report

To the Board of Directors

Alliance to Save Energy

Washington, D.C.

We have audited the accompanying consolidated balance sheet of the Alliance to Save Energy And Affiliate (the Organization) as of December 31, 2007, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from the Alliance's 2006 consolidated financial statements and in our report dated April 17, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2007 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Alliance to Save Energy And Affiliate as of December 31, 2007, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 6, 2008, on our consideration of the Alliance to Save Energy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

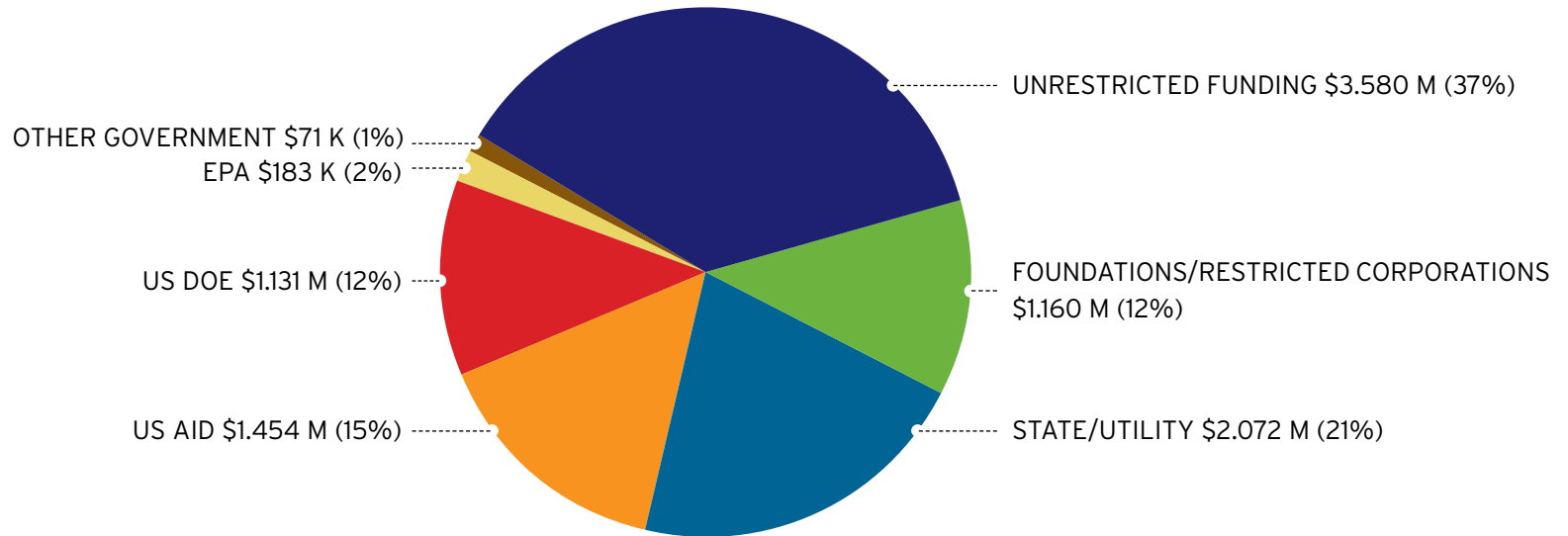
*McGladrey & Pullen, LLP*

Vienna, Virginia  
May 6, 2008

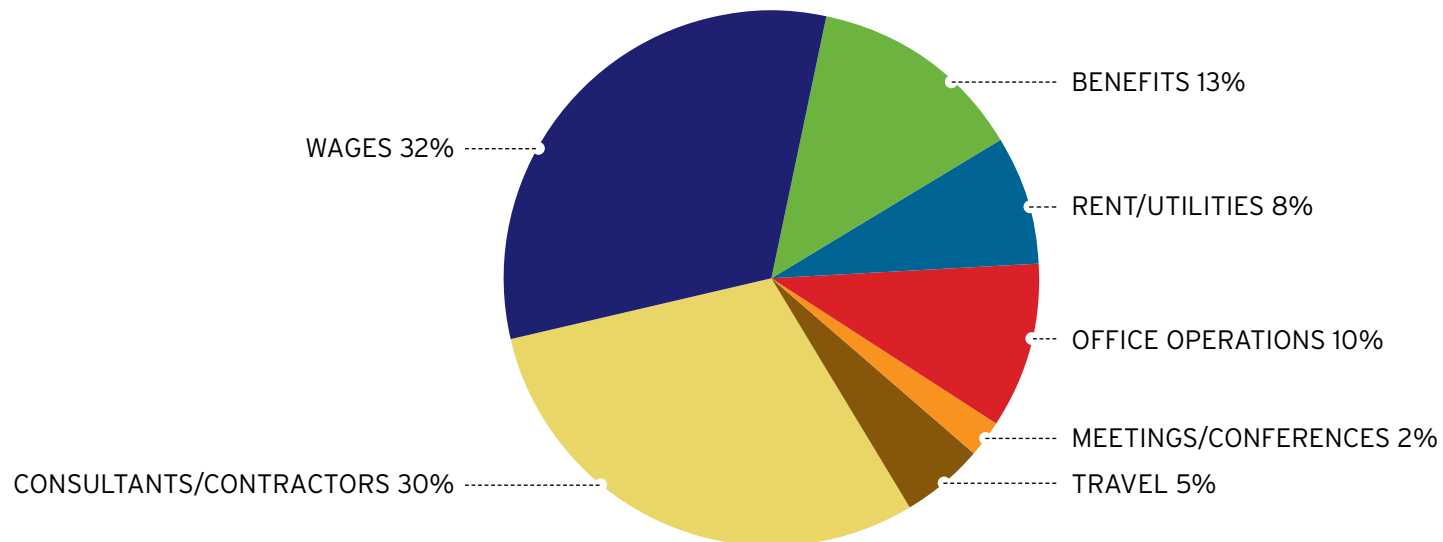
**McGladrey & Pullen**  
Certified Public Accountants



### 2007 TOTAL REVENUE \$9.651 M\*



### 2007 TOTAL EXPENSES \$10.147 M\*



*Revenue and expenses presented in these charts is at gross, whereas audited financial statements reflect the net of the awards dinner expenses.*

**BALANCE SHEET**

December 31, 2007

With Comparative Totals For 2006

<b>ASSETS</b>	<b>2007</b>	<b>2006</b>
Cash and Cash Equivalents	\$ 382,886	\$ 747,043
Investments	357,797	405,126
Grants Receivable, net	1,951,687	1,990,492
Other Receivables	166,152	139,172
Prepaid Expenses and Deposit	22,108	2,325
Property and Equipment, net	938,404	1,038,606
	<b>\$ 3,819,034</b>	<b>\$ 4,322,764</b>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts payable	\$ 562,947	\$ 590,863
Accrued expenses	368,053	276,836
Refundable advances	342,040	407,265
Capital lease obligation	6,687	14,129
Deferred rent	698,934	696,854
	<b>\$ 1,978,661</b>	<b>\$ 1,985,947</b>

Commitments and Contingencies

Net Assets - Unrestricted	1,840,3763	2,336,817
	<b>\$ 3,819,034</b>	<b>\$ 4,322,764</b>

**STATEMENT OF ACTIVITIES**

Year Ended December 31, 2007

With Comparative Totals For 2006

<b>REVENUE AND SUPPORT</b>	<b>2007</b>	<b>2006</b>
Grants		
Corporations and foundations	\$ 3,231,961	\$ 5,017,443
Government	2,838,902	3,719,595
Membership contributions	1,539,120	1,002,250
Special events, <i>net of cost of direct benefit to donors</i>	1,667,548	673,047
Donated services	204,376	217,583
Administrative and advisory fees	3,000	5,521
Other income	38,489	28,384
<b>Total revenue and support</b>	<b>\$ 9,523,396</b>	<b>10,663,823</b>

**EXPENSES:**

Program services	6,013,684	7,223,214
General and administrative	3,811,281	3,099,002
Fundraising	194,875	267,769
<b>Total expenses</b>	<b>10,019,840</b>	<b>10,589,985</b>

**Change in net assets (496,444) 73,838****NET ASSETS:**

Beginning	2,336,817	2,262,979
Ending	<b>\$ 1,840,373</b>	<b>\$ 2,336,817</b>

**STATEMENT OF FUNCTIONAL EXPENSES** Year Ended December 31, 2007

With Comparative Totals For 2006

	<b>PROGRAM SERVICES</b>				General and Administrative	Fundraising	<b>2007 Total</b>	<b>2006 Total</b>
	Demonstration	Policy	Communications	Total Program Services				
Salaries	\$ 770,469	\$ 191,521	\$ 412,992	\$ 1,374,982	\$ 1,753,002	\$ 92,602	\$ 3,220,586	\$ 3,115,909
Employee benefits and payroll taxes	686,013	27,873	67,193	781,079	507,678	40,514	1,329,271	1,275,267
Professional fees and contract services	2,146,285	21,396	546,163	2,713,844	177,057	5,196	2,896,097	4,096,418
Occupancy and utilities	42,311	-	-	42,311	586,992	300	629,603	559,331
Supplies and miscellaneous	238,519	725	13,923	253,167	356,817	793	610,777	374,555
Travel	367,622	5,232	22,327	395,181	122,992	26,934	545,107	358,986
Meetings and conferences	214,602	9,767	1,767	226,136	8,888	(3,500)	231,524	258,792
Telephone	55,658	12,384	39,533	107,575	51,245	8,263	167,083	187,513
Printing and publication	34,076	-	15,220	49,296	33,683	21,676	104,655	122,668
Depreciation	-	-	-	-	117,379	-	117,379	119,882
Periodicals, dues, and subscriptions	6,510	16,366	13,340	36,216	9,190	354	45,760	51,447
Postage and shipping	25,085	49	8,277	33,411	13,986	1,743	49,140	38,118
Repairs and maintenance	370	-	116	486	-	-	486	15,543
Bad debt expense	-	-	-	-	72,372	-	72,372	15,556
<b>Total direct costs</b>	<b>4,587,520</b>	<b>285,313</b>	<b>1,140,158</b>	<b>6,013,684</b>	<b>3,811,281</b>	<b>194,875</b>	<b>10,019,840</b>	<b>10,589,985</b>
Indirect allocation	2,426,119	418,050	284,067	3,128,235	(3,165,511)	37,276	-	-
<b>Total expenses</b>	<b>\$ 7,013,639</b>	<b>\$ 703,363</b>	<b>\$ 1,424,918</b>	<b>\$9,141,919</b>	<b>\$ 645,770</b>	<b>\$ 232,151</b>	<b>\$ 10,019,840</b>	<b>\$ 10,589,985</b>



**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2007

With Comparative Totals For 2006

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (496,444)	\$ 73,838
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	117,379	119,882
Bad debt expense	72,372	15,556
Unrealized loss on investments	10,799	16,093
Loss on disposal of property and equipment	-	30,305
Deferred rent	2,080	11,730
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants receivable	(33,567)	396,943
Other receivables	(26,980)	(83,860)
Prepaid expenses and deposit	(19,783)	32,705
Increase (decrease) in:		
Accounts payable	(27,916)	(355,982)
Accrued expenses	91,217	44,660
Refundable advances	(65,225)	(506,159)
<b>Net cash (used in) provided by operating activities</b>	<b>(376,068)</b>	<b>204,289</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(17,177)	(336,753)
Purchases of investments	(23,520)	(33,783)
Proceeds from sale of investments	60,050	290,526
<b>Net cash (used in) provided by investing activities</b>	<b>19,353</b>	<b>(80,010)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on capital lease obligation	(7,442)	(9,716)
<b>Net cash (used in) financing activities</b>	<b>(7,442)</b>	<b>(9,716)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(364,157)</b>	<b>(294,015)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	747,043	1,041,058
<b>Ending</b>	<b>\$ 382,886</b>	<b>\$ 747,043</b>

Supplemental Schedule of Noncash Investing Activities. Equipment acquired as a part of leasehold improvements

	\$ -	\$ 665,815
--	------	------------

Auditors notes to Financial Statements available upon request.

**2007 RESTRICTED CONTRIBUTIONS**

\$0 - \$50,000	\$50,001 - \$99,999
ACEEE	International Finance Corporation
Advanced Engineering Associates International, Inc.	Mississippi Development Authority
AGA	U.S. EPA
Alliance of Automobile Manufacturers	University of Colorado
Ameresco	
AMD, Inc.	<b>\$100,000 - \$499,999</b>
Asia Pacific Economic Cooperation	American Petroleum Institute
Air-Conditioning and Refrigeration Institute	Appalachian Regional Commission
Bostonia	Battelle, PNNL
Building Media, Inc.	The Energy Foundation
CMC Energy Services, Inc.	ExxonMobil
Coca Cola Company	International Resources Group
Conservation Services Group	Louis Berger Group, Inc.
Consumer Electronics Association	NORESCO
DMJM Harris	PA Consulting Group
Econoler International	Pennsylvania Department of Environmental Protection
EEI	REEEP Intl Secretariat
EPA's Office of Transportation and Air Quality	The Dow Chemical Company
Florida Power & Light Co.	U.S. DOE/Oak Ridge National Laboratory
Honeywell	UT Battelle
IETA	
NBC Universal SCI FI Channel	<b>\$500,000 or greater</b>
NIPSCO	Wal-Mart Foundation
North Dakota Department of Commerce	U.S. DOE/National Energy Technology Laboratory
OSRAM SYLVANIA	
Safety-Kleen Systems, Inc.	
SIMAS	
Stanford University Student Housing	
State of Ohio	
Turner Foundation	
United Financial	
U.S. DOE	
UT Austin	
Vectren	
Wendel Energy Services	
Whirlpool Corporation	
World Learning	
Wyoming Business Council	

**Honorary Chair**

U.S. Senator Mark Pryor

**Co-Chair**

James E. Rogers

President and Chief Executive Officer

*Duke Energy*

**Honorary Vice-Chairs**

U.S. Senator Jeff Bingaman

U.S. Senator Susan M. Collins

U.S. Senator Byron Dorgan

U.S. Representative Ralph Hall

U.S. Representative Steve Israel

U.S. Representative Edward J. Markey

U.S. Representative Zach Wamp

**Founding Chair**

The Honorable Charles H. Percy

**President**

Kateri Callahan

**Secretary**

Jeff Rea

**Treasurer**

Robert Pratt

Senior Vice President

*Henry P. Kendall Foundation*

**Directors**

Frances Beinecke

President

*Natural Resources Defense Council*

Stephen Brobeck

Executive Director

*Consumer Federation of America*

Dr. Marilyn A. Brown

Professor

*Georgia Institute of Technology*

James H. DeGraffenreidt, Jr.

Chairman and Chief Executive Officer

*Washington Gas*

Robert J. Dixon

Senior Vice President, Global Head Energy

Services and Solutions

*Siemens Building Technologies, Inc.*

Thomas K. Dreessen

President & Chief Executive Officer

*EPS Capital Corporation*

John R. Fielder

President

*Southern California Edison*

Honorable Robert Foster

Mayor

*City of Long Beach, California*

John C. Fox

Managing Director

*Perseus, LLC*

Tom Grumbly

VP and Customer Relations Executive

*Lockheed Martin Information Technology*

Geoffrey Hunt

Senior Vice President

Communications & Human Resources

*OSRAM SYLVANIA*

William J. Keese

Former Chairman

*California Energy Commission*

Tom King

Executive Director

*National Grid*

Thomas R. Kuhn

President

*Edison Electric Institute*

Michael Lawrence

Vice President and General Manager of

Insulation Systems

*Johns Manville*

William T. Morrow

President and CEO

*Pacific Gas and Electric Company*

William A. Nitze

Chairman

*Oceana Energy Company*

Earle H. O'Donnell

Partner

*White and Case LLP*

Jackie Pfannenstiel

Chair

*California Energy Commission*

John W. Rowe

Chairman & CEO

*Exelon Corporation*

Peter Smith

Managing Director of Climate, Energy,

and the Environment

*The Pataki-Cahill Group*

Rich Wells

Vice President, Energy

*The Dow Chemical Company*

**Chair Emeriti**

Daniel J. Evans

The Late H. John Heinz III

Dean T. Langford

Timothy E. Wirth





THE ALLIANCE TO SAVE ENERGY PROMOTES ENERGY EFFICIENCY  
WORLDWIDE TO ACHIEVE A HEALTHIER ECONOMY,  
A CLEANER ENVIRONMENT,  
AND GREATER ENERGY SECURITY.

The Alliance to Save Energy strives to be the world's premier organization promoting energy efficiency to achieve a healthier economy, a cleaner environment, and greater energy security. To achieve this goal, the Alliance to Save Energy:

**LEADS** worldwide energy-efficiency initiatives in research, policy advocacy, education, technology deployment and communications that impact all sectors of the economy;

**PROVIDES** vision and activism through its board of directors, which includes leaders from business, government, the public interest sector and academia;

**INITIATES** and participates in public-private partnerships, collaborative efforts and strategic alliances to optimize resources and expand its sphere of influence; and

**EXECUTES** its mission through a team of recognized energy efficiency experts and professionals.



ALLIANCE TO  
**SAVE ENERGY**  
*Creating an Energy-Efficient World*

**1850 M STREET, NW, SUITE 600**

**WASHINGTON, DC 20036**

**202.857.0666**

**ASE.ORG**