



NC SUSTAINABLE
ENERGY ASSOCIATION

2013 | ANNUAL REPORT

A LETTER FROM THE EXECUTIVE DIRECTOR



In 2013, the North Carolina Sustainable Energy Association (NCSEA) grew markedly in prominence and impact, establishing itself clearly as the state's leading authority on clean energy issues. NCSEA's value came not only through its market intelligence, analysis and advocacy, but also by spearheading a new wave of collaborative dialogues and coordinated action designed to defend our state's clean energy policies and promote new solutions. This expertise and leadership proved necessary as North Carolina's clean energy sector came under direct and sustained attack through a raft of hostile legislative proposals and regressive regulatory actions.

Even amidst the strong performance and impressive growth enjoyed by the state's clean energy businesses, 2013 tested the sector's mettle as no year in recent memory. Fortunately, NCSEA was up to the challenge. Together with our members and other allies, NCSEA defended our state's highly effective and productive clean energy policies and even succeeded in advancing support for clean energy across government and industry. As a result, the sector can continue to help lead the state's economic recovery through the creation of jobs, investment, innovation and a more resilient and secure supply of energy.

The following report explores how we did this. It's also a thank-you letter to countless supporters who enabled our success. We look forward to your feedback, and to accomplishing even more together in 2014.

A handwritten signature in black ink that reads "Ivan Urlaub". The signature is fluid and cursive.

Ivan Urlaub
Executive Director

2013 BY THE NUMBERS

NC CLEAN ENERGY
REVENUES IN EXCESS
OF **\$3.5 BILLION**

30 FILINGS AT
THE NC UTILITIES
COMMISSION

2,186 EVENT ATTENDEES

18,400
NC CLEAN
ENERGY JOBS

6 REPORTS & STUDIES

5 INTERNS

5TH ANNUAL
MAKING ENERGY
WORK CONFERENCE

25 EVENTS
HOSTED BY NCSEA

35 YEARS

1,100 NC ENTREPRENEURS,
COMPANIES & ECONOMIC DEVELOPMENT
ORGANIZATIONS STATEWIDE

65,424
WEBSITE
VISITS

2,450
MEMBERS

94 SPEAKING APPEARANCES

6 POLICY WINS

14 STAFF MEMBERS

ACCOMPLISHMENTS AT A GLANCE

JANUARY

Annual Fallon Poll finds that 82.6% of those surveyed feel state leaders should seek more alternative or renewable energy sources in order to provide consumers and businesses with electricity

Data from pivotal RTI/LaCapra study provided the backbone for defense of clean energy policies in NC

FEBRUARY

Legislative reception allowed NCSEA to educate more than 60 elected officials and 150 stakeholders on the economic benefits of clean energy

Spearheaded major collaborative advocacy effort to defeat REPS repeal bill

JUNE

Hosted 3rd Annual Clean Energy in the Mountains event with more than 100 business leaders, entrepreneurs and others from across Western North Carolina

AUGUST

Legislative Wrap-Up Webinar gave an overview of the energy-related issues discussed in the 2013 legislative session

SEPTEMBER

Co-hosted Military Energy Roundtable with the NC Military Business Council

US Green Building Council awards NCSEA 2013 Fearless Leader Award

2013 North Carolina Clean Energy Industry Census reveals a 20% increase in NC clean energy jobs

OCTOBER

Co-led stakeholders and industry to create and release a first-of-its-kind template solar ordinance

Commissioned Crossborder Energy study to promote greater accounting of benefits of solar in determining avoided cost rate

Joined Environmental Defense Fund in a breakthrough settlement on Duke's Save-a-Watt replacement program

NOVEMBER

5th Annual Making Energy Work conference was widely regarded as the best yet

DECEMBER

Released a seminal report with UNC Kenan-Flagler Business School on key factors driving solar PV and geothermal system adoption & related consumer actions to save energy

YEAR IN REVIEW: MARKET INTELLIGENCE

NCSEA began the year by producing two highly influential studies: *The Economic, Utility Portfolio, and Rate Impact of Clean Energy Development in North Carolina* by RTI International and LaCapra Associates, Inc.; and the *Energy Public Opinion Poll of North Carolina Voters* by Fallon Research. The content from these reports provided a solid foundation for much of the advocacy waged on behalf of North Carolina's clean energy economy by groups across the state and the nation.

In addition to conducting our annual Clean Energy Industry Census, NCSEA's Market Intelligence team utilized the latest GIS technology to produce easy-to-use maps and charts that highlight important relationships, patterns and trends in North Carolina's renewable energy and energy efficiency markets.

Clean Energy Industry Census

2013 represented the sixth consecutive year that NCSEA collected detailed data for its annual census report on the clean energy industry in North Carolina. The report provides a snapshot of the current structure of the clean energy industry within the state, and analyzes key aspects of the significant growth that the sector has enjoyed year after year. It has become an invaluable resource to clean energy stakeholders and industry looking to drive support for clean energy policies, establish benchmarking for key industry metrics or highlight the beneficial impacts of the clean energy sector to North Carolina's economy.

INDUSTRY CENSUS SNAPSHOT

RESPONDENTS

570 Firms

EMPLOYMENT

18,404 FTE

REVENUES

\$3.6 Billion

2013 Southeast Clean Energy Industry Census

For the first time, NCSEA partnered with organizations from Georgia, South Carolina and Virginia to produce a Southeast Clean Energy Industry Census, which will include aggregate results from all four states. The four-state census, available in early 2014, will provide insight for stakeholders throughout the region, as well as a review of cooperative markets.

“NCSEA and its allies did a wonderful job in defending the REPS and the tax incentives responsible for the tremendous growth in solar in NC.”

– Erik Lensch
ARGAND ENERGY SOLUTIONS, LLC

RTI and La Capra Report

In February 2013, RTI International and La Capra Associates released a uniquely valuable report commissioned by NCSEA titled *The Economic, Utility Portfolio, and Rate Impact of Clean Energy Development in North Carolina*. This analysis determined that North Carolina's clean energy policies, such as the Renewable Energy Investment Tax Credit (REITC) and the Renewable Energy and Energy Efficiency Portfolio Standard (REPS), have had a positive impact on the state's economy. The report's findings were successfully used by clean energy proponents to encourage elected officials to consider the success of the clean energy industry when considering an “all-of-the-above” energy strategy for North Carolina.

YEAR IN REVIEW: LEGISLATIVE

Legislative

Our state's clean energy industry and existing public policies found themselves increasingly in the legislative mix during 2013. Thanks to a high level of engagement by NCSEA, our clean energy industry and allies, we were successful in maintaining all pro-clean energy policies and added support for the sector among legislators on both sides of the aisle.



NCSEA members networking at our Legislative Reception at the North Carolina Museum of Natural Sciences.

Chief among the legislative threats facing clean energy in 2013 was the attempted repeal of the state's Renewable Energy and Energy Efficiency Portfolio Standard (REPS). Due to a well-funded campaign and a wealth of misinformation from ideological opponents, the repeal bill—**House Bill 298** sponsored by House Public Utilities & Energy Committee Chairman Mike Hager—was a real threat. NCSEA worked tirelessly with a broad coalition of interests, including clean energy businesses, farmers, livestock producers, timber producers, economic development officials and conservation groups, to defeat it. A companion bill in the Senate, SB 365, met a similar fate, failing to make it out of committee once knowledge of the state's clean energy economic and ratepayer benefits were made known.

House Bill 201, which sought to roll back NC's 2012 energy conservation building codes, managed to pass the House but heavy opposition by NCSEA and others, including the building industry, succeeded in stopping the bill in the Senate just before session adjourned. Another very important provision, the **Renewable Energy Investment Tax Credit (REITC)**, also landed in the "win" column as the 2013 legislative session came to a close, remaining unchanged in the Tax Reduction Act (House Bill 998) that was eventually passed. Under current law, the REITC is still set to expire at the end of December 2015. NCSEA was proud to join with its members and other stakeholders around the state to educate legislators on the benefits and well-documented economic success of this tax credit as a driver of growth and innovation, particularly in rural areas of our state.

“NCSEA continues to be the most relevant source on energy related state legislation. When I need to objectively learn about state energy policy, I go to them straight away.”

– Maggie Ullman
CITY OF ASHEVILLE

YEAR IN REVIEW: REGULATORY

Regulatory



Michael Youth, NCSEA's Counsel and Director of Regulatory Affairs, giving a regulatory update to our members.

NCSEA engaged heavily in the 2012 biennial **Avoided Cost proceeding** to help ensure that the final price paid to developers for the electricity their facilities sell to the grid is fair and sufficient to support the continued growth of clean energy businesses and the market in the state. NCSEA's engagement on this issue is of vital importance given the pervasive impact of avoided cost rates across the clean energy economy, including the determination of the cost effectiveness of demand side management/energy efficiency (DSM/EE) programs and the calculation of the performance incentives for such programs. NCSEA estimates that a final Commission order will be issued in February 2014.

NCSEA partnered with the Environmental Defense Fund (EDF) to press Duke Energy Carolinas (DEC) to abandon the unreasonable mechanism the utility proposed to replace its "Save-a-Watt" pilot cost recovery mechanism in favor of a more reasonable alternative. After negotiation, NCSEA and EDF joined DEC, the Public Staff and environmental interveners in jointly proposing to the NC Utilities Commission a fairer **"shared savings" mechanism** in August 2013. This mechanism now incentivizes DEC to secure greater participation in its existing DSM/EE programs and develop new programs.

“With energy policy rapidly changing, it is important to have an organization such as NCSEA representing the interest of the developer clients and promoting the future of the renewable energy economy.”

– Brian L. Herndon
BLANCO TACKABERY & MATAMOROS, P.A.

FINANCIAL SUMMARY

| REVENUE AND SUPPORT | |
|-------------------------|--------------------|
| Contributions | \$134,852 |
| Grants | \$1,221,000 |
| Indirect Public Support | \$6,380 |
| Membership Dues | \$140,685 |
| Miscellaneous | \$5,818 |
| Sponsorship | \$67,575 |
| Program Service Fees | \$46,270 |
| Total Revenues | \$1,622,580 |

| EXPENSES | |
|--------------------------------|--------------------|
| Program Services | \$1,534,063 |
| Supporting Services | |
| Management and General | \$239,618 |
| Fundraising | \$77,052 |
| Total Expenses | \$1,850,733 |
| Net Assets - Beginning of Year | \$1,272,600 |
| Net Assets - End of Year | \$1,048,435 |
| Change in Net Assets | \$(224,165) |

NCSEA remained committed to advancing clean energy with our members and partners while successfully delivering an expensive campaign against legislative attacks on the REPS and energy conservation building codes.

MAJOR FUNDERS

Thank you to our major funders. Our success would not be possible without you.

Advanced Energy Economy Institute

The Energy Foundation

Environmental Federation of NC (Earth Share)

Fred & Alice Stanback

Richard Harkrader

NC Department of Commerce

The Prentice Foundation

Z. Smith Reynolds Foundation, Inc.

DONATE TO NCSEA

The NC Sustainable Energy Association is a 501(c)(3) membership organization. Please consider making a tax-deductible donation to NCSEA today! Your support will help NCSEA advance the work that ensures a sustainable and secure clean energy future for us all. **To donate, go to www.energync.org/contribute.**

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Subscribe to the NC Sustainable Energy Association monthly newsletter, the **Clean Energy Current**, filled with timely information about our activities and recent industry news.

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THANK YOU!

NC Sustainable Energy Association extends its sincere thanks and appreciation to our many members, donors, funders, sponsors, partners and volunteers. We feel privileged to work on behalf of North Carolina's clean energy sector, which would not be possible without your continued support.



NC SUSTAINABLE ENERGY ASSOCIATION

ENERGYNC.ORG
INFO@ENERGYNC.ORG
919.832.7601

4880 SIX FORKS RD.
SUITE 300
RALEIGH, NC 27609

The North Carolina Sustainable Energy Association (NCSEA) is a 501(c)(3) nonprofit membership organization working daily to promote the interests of North Carolina, its residents, businesses and economy by ensuring a sustainable path for the growth of clean energy. Collectively, renewable energy, energy efficiency, smart grid technologies and plug-in electric vehicles are powerful drivers of jobs, innovation, economic prosperity and energy security for the state and region. Informed by principle and bolstered by rich data, careful analysis and strategic advocacy, NCSEA drives the creation of a market and policy environment that fosters solutions, progress and opportunity for all clean energy stakeholders.