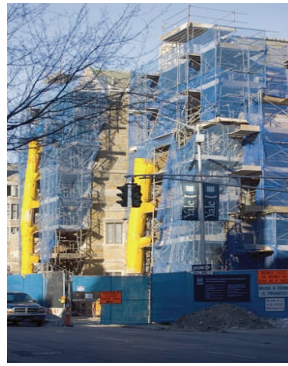
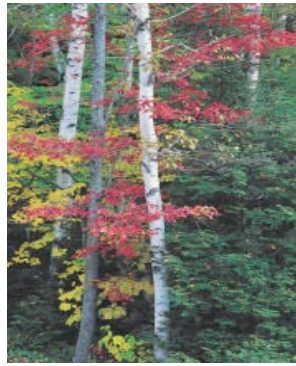


Annual Report 2009



About Us

ENE (Environment Northeast) is a non-profit organization at the forefront of efforts to combat global warming and promote clean energy and clean air solutions in New England and Eastern Canada, and at the federal level. ENE researches, develops and advocates innovative policies that tackle the region's environmental challenges while promoting sustainable economies.

Mission

ENE's mission is to address large-scale environmental challenges that threaten regional ecosystems, human health, or the management of significant natural resources. We use policy analysis, collaborative problem solving, and advocacy to advance the environmental and economic sustainability of the northeastern United States and Eastern Canada.

ENE Staff

Abigail Walker Anthony, *Policy Analyst*
Emily Avery-Miller, *External Relations Manager*
Emily Bateson, *Deputy Director*
Ellen Hawes, *Forest Policy Analyst*
Jamie Howland, *Data and Energy Policy Analyst*
Sam Krasnow, *Policy Advocate and Attorney*
Leslie Malone, *Policy Associate --Canada*
Jeremy C. McDiarmid, *Staff Attorney*
Derek K. Murrow, *Energy and Climate Policy Director*
Peter Shattuck, *Carbon Markets Policy Analyst*
Daniel L. Sosland, *Executive Director*
Michael Stoddard, *Senior Counsel*
Jessie Stratton, *Director of Government Relations*
Danah Tench, *Staff Attorney*

Board of Directors

Douglas C. Baston, *Alna, Maine*
Elizabeth Carroll, *Chair, Wellesley, Massachusetts*
Howard Gray, Jr., *Treasurer, Portland, Maine*
Daniel L. Sosland, *Rockport, Maine*
David Sutherland, *Secretary, Glastonbury, Connecticut*

Executive Director's Note

2009 was a year of achievement for energy and climate policy in the northeast and one of great promise for the nation. At the federal level, the Obama administration ushered in a new era of commitment to reducing global warming and moving toward the clean energy economy of the future. Federal stimulus dollars came to our region for energy efficiency and renewable energy, and Congress tackled in earnest the crafting of a federal climate bill. At the regional level, ten northeastern states worked hard to show that the Regional Greenhouse Gas Initiative (RGGI) the first mandatory GHG cap and trade emissions reduction program in the country, would be a success. Maine, Massachusetts, Connecticut and Rhode Island all moved forward with transformative new energy reform laws and energy efficiency programs. Today, Massachusetts is slated to become number one in the nation for energy efficiency investment and consumer savings; measured on a per capita basis, all four states are now in the top five nationwide. ENE was a strong advocate of these state and regional successes and of aspects of the federal stimulus bill that are providing billions of dollars in new funds for efficiency and weatherization investments.



The northeast region also made precedent-setting strides in the transportation sector, as the RGGI states and Pennsylvania moved closer to establishing a low carbon fuel standard that would progressively reduce the carbon intensity of our transportation fuels, which today account for more than one-third of all global warming emissions. In the forest sector, ENE and northeastern stakeholders continued to lead the way in articulating the important role that U.S. forests play in combating climate change and the need for forest carbon protection to be funded in federal climate legislation.

In 2009, ENE staff worked harder than ever to play a meaningful leadership role at the state and regional levels, and in Washington, D.C. and Ottawa. I want to particularly acknowledge and thank Senior Attorney Roger Koontz, who retired this year after many extraordinary years of public service to the Connecticut environment including almost ten years with ENE. ENE is establishing the Roger E. Koontz Public Interest Service Award in his honor.

We celebrated many milestones this year in the effort to advance clean energy and climate change solutions, and we are grateful to all whose support made these achievements possible. Please read about the progress we celebrated this year in this brief summary report for 2009.

A handwritten signature in black ink that reads "Daniel L. Sosland". The signature is written in a cursive, flowing style.

Daniel L. Sosland
Executive Director

Energy Efficiency and Policy Reform

ENE is a pioneer of efforts to promote fundamental energy system reforms in the northeast. We prioritize efficiency because we know that it is the cleanest, most affordable resource available to meet energy demand, save consumers money and cut

“It is grand slam for the Commonwealth. Like the Red Sox, it’s something everyone can agree on,” Krasnow said. “This plan will save billions and help us rebound from the recession.” – ENE’s Sam Krasnow, quoted in “Massachusetts rolls out ambitious efficiency program,” Lisa Wood, Electric Power Daily, October 9, 2009



greenhouse gas (GHG) emissions. 2009 was a watershed year, with states like Massachusetts taking the lead nationally and advancing plans to quadruple efficiency spending over the next three years. New analysis by ENE shows that dedicating this kind of funding to programs that cut energy use and emissions has significant ripple effects throughout local economies – increasing household savings, employment and state productivity.

These commitments to efficiency are the result of new energy planning processes at the state and regional levels that prioritize greater public input, access, consensus and transparency. ENE remains deeply engaged in state energy efficiency councils and other processes to ensure that the concerns of all stakeholders, including the environmental community, low- and fixed-income communities, and small businesses, are represented in planning our energy future.

2009 Highlights: ENE helped advance policies that made the northeast states national leaders in efficiency investment. • Massachusetts adopted three-year plans that will deliver over \$6 billion in consumer benefits and move it past California to first in the nation for state efficiency investment. • Rhode Island implemented year one of a three-year, high-level plan to increase annual electric efficiency investments to \$44 million by 2011, which would generate more \$100 million in net savings for customers in all sectors. • Maine passed a law to bring all the efficiency entities under the Efficiency Maine Trust, which will plan and administer programs for energy efficiency to help Mainers meet their energy needs at the lowest cost. • Decoupling was approved in two rate cases in Massachusetts and one in Connecticut, which further helps align utility incentives with programs that help customers save.

Regional and Federal Climate and Energy Policy

The Regional Greenhouse Gas Initiative (RGGI), the nation’s first mandatory GHG cap and trade program, completed its first successful year in 2009. RGGI and new energy reform programs in the northeast show that a cap and trade program and strong commitments to efficiency can work to reduce emissions and help build a strong, clean energy economy. ENE’s analysis and insights based on our experience helping to develop these precedent-setting policies are a highly valued resource among lawmakers and other stakeholders who are working to drive federal policy forward.

ENE was a leader in creating the National Save Energy Coalition, a group of organizations, businesses, labor unions and environmental advocates who support implementing successful energy efficiency strategies and programs, and we advanced recommendations and outreach to the incoming Obama transition team that resulted in significant new funding for existing state efficiency programs. ENE also played a lead role in rallying energy and business leaders, labor unions and many others to support provisions in a federal climate bill that will allocate allowance money to efficiency programs.

2009 Highlights RGGI completed its first year and raised over \$400 million in new revenue to support energy efficiency and other clean energy programs. • ENE produced its influential “RGGI Auction Tracker” and was interviewed by the U.S. General Accounting Office (GAO) as a RGGI expert resource. • The House climate and energy bill ("ACES") passed, and included key principles that ENE advocated, such as allocations to support cost-effective energy efficiency programs. • ENE’s summary of ACES and state-by-state descriptions of estimated funding for energy efficiency investments were widely used by ENE and others to explain the cost-effectiveness of the climate bill and to encourage deeper efficiency commitments in final legislation.

Forests and Land Use

In cap and trade programs like the one being proposed at the national level, carbon offsets projects can provide flexibility and cost-effective options for how regulated emitters meet emissions reduction requirements. Offsets, particularly for forest projects, could play huge role in future climate policy and carbon markets, and are a key focus for ENE. ENE was a primary author and researcher of comprehensive recommendations for forest offsets standards submitted this year to the 10-state RGGI program, and is now providing valuable information as leaders develop a federal framework.



U.S. forests today soak up an impressive 13 percent of our annual carbon emissions, and eastern forests are an important part of that equation....However, at current trends, U.S. forest carbon storage will decrease as development gobbles up forests at an increasing rate. We must protect our valuable forest carbon resources as part of the national climate strategy. – ENE Deputy Director Emily Bateson in Boston Globe Op Ed, August 31, 2009

2009 Highlights: ENE, along with partners in Maine, completed a multi-year research effort and submitted final recommendations to RGGI for comprehensive forest offset standards that meet its rigorous five-part test. • With 7 other groups, ENE authored a joint letter establishing principles for sound domestic forest offsets and additional forest conservation for carbon sequestration in federal climate legislation. • ENE developed specific recommendations aimed at strengthening the forest carbon sequestration policies in ACES and in Senate versions of the bill.

Canada

U.S. and Canada policy choices concerning energy and environmental issues are increasingly interconnected, and coordination is essential if both countries are to implement climate change solutions effectively. Owing to our leading stakeholder role in the design and implementation of RGGI and our current intensive work in Washington, D.C., ENE is a key resource for Canadian leaders and advocates engaged in federal climate and energy policy process. Over the past year, ENE briefed federal policy makers and staff, and was invited to speak at national meetings and conferences, including the annual gathering of New England Governors and Eastern Canadian Premiers, where we presented on the status and benefits of policies to expand energy efficiency in the region.



ENE's Canada Policy Associate, Leslie Malone, pictured here with a Senator from Charlottetown, PEI, where Leslie is based.

2009 Highlights: ENE produced monthly updates on Canadian energy and climate issues in its e-newsletter *Climate Times*. • ENE was invited to brief the Canadian Parliament as part of an international panel of experts on opportunities for federal climate policy design and coordination.

Transportation

The transportation sector is now the second largest source of U.S. GHG emissions, accounting for nearly 40% of all anthropogenic GHG emissions in the Northeast.

Our current reliance on a petroleum-fueled transportation system contributes to harmful

climate change and air pollution and leaves consumers vulnerable to price shocks from an unstable global energy market. A low carbon fuel standard (LCFS) would reduce the carbon content of fuels and help build a market for cleaner alternatives. 11 northeastern and mid-Atlantic states are working to develop such a program in the region. ENE is coordinating a stakeholder campaign to advance this LCFS process along a reasonable timeline and ensure that it employs rigorous lifecycle GHG accounting system and sustainability standards.

2009 Highlights: 11 northeastern and mid-Atlantic governors signed an MOU, an important step toward developing a mandatory, multi-state LCFS • ENE joined a coalition in launching Project Get Ready Rhode Island, part of a national, non-profit initiative designed to help communities prepare for the introduction of plug-in hybrid electric vehicles (PHEVs). PHEVs can play an important role in a mix of strategies that can help address climate change and reduce our dependence on foreign oil.

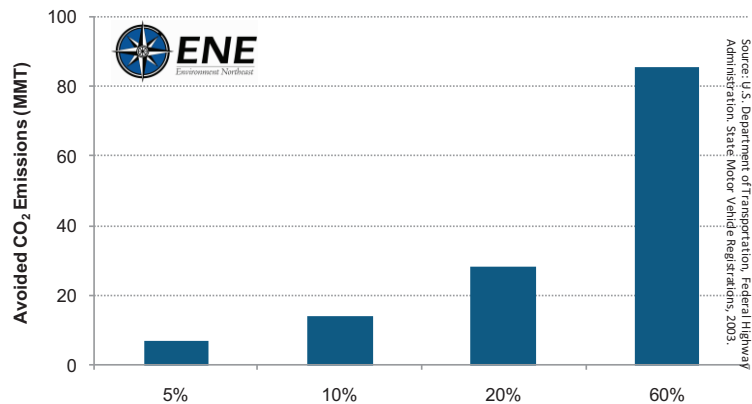


Figure 3: Percent of PHEVs in the Northeastern Light Duty Vehicle Fleet

ENE Reports and Publications

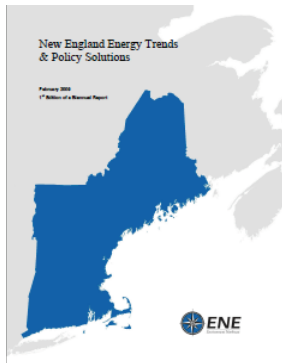
ENE's research and analysis is highly regarded amongst advocates, stakeholders and policy makers, and our publications are used widely to help advance clean energy and climate solutions at the state, regional and federal levels.

"It is extremely encouraging to learn that every \$1 million of energy efficiency investment in Maine adds between 50-80 jobs for a year and \$5-7 million to the Gross State Product. ... ENE's new economic analysis reinforces my belief that policy tools like the federal Stimulus and the climate legislation we passed in the U.S. House of Representatives will help Maine build a vibrant new clean economy." – U.S. Representative Chellie Pingree, (D-ME), on ENE's Energy Efficiency: Engine of Economic Growth

Energy Efficiency: Engine of Economic Growth

ENE's comprehensive report demonstrating that large-scale investments in energy efficiency, like those pioneered in many New England states, bring about dramatic increases in state productivity, household income and job creation.

New England Energy Trends and Policy Solutions



ENE has the most extensive database of emissions and energy data in the region, and this ambitious report contains the most up-to-date information on emissions and energy trends in New England.

Memo to the Next President: Energy Efficiency as Economic Stimulus

ENE authored a memo to the President-elect regarding the importance of energy efficiency as an effective component of an economic stimulus package as well as a key climate strategy. This piece was included in a compilation of memos written by top experts in their fields and published by the Progressive Policy Institute for the Obama transition team.



Essential Lessons Learned from RGGI

Another educational resource for federal leaders, this paper described the key lessons from the northeast's regional cap and trade program that can influence and benefit federal cap and trade policy development. It was also published by the Progressive Policy Institute (PPI).

RGGI Auction Tracker

ENE's up-to-date tracking tool totals and charts the allocation of allowances and distribution of auction proceeds in each state through the fifth RGGI auction held in September 2009. It has been an important tool for industry, advocates and policy makers who are tracking RGGI's progress as the first mandatory cap and trade program in the country and precedent for development of the federal program.

"More good work. You folks keep cranking out valuable materials and analyses that all the rest of us can depend on. You will never know how many programs and people benefit from your efforts. Thanks." – David Dayton, CEO, Clean Energy Solutions, Inc.

Financials at a Glance

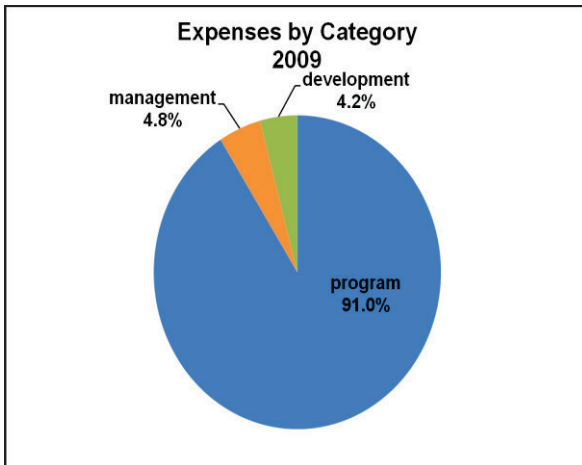
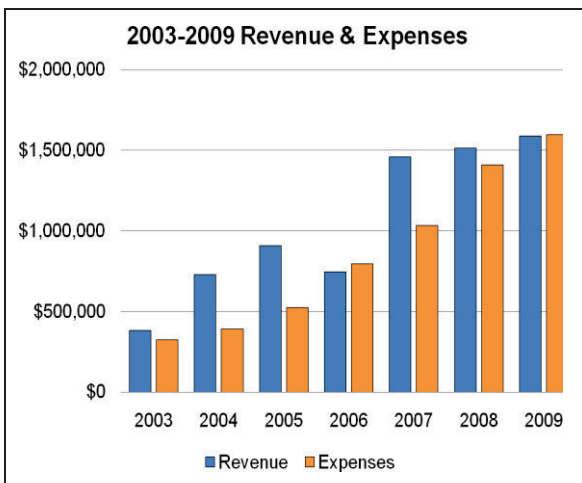
Total Revenue..... \$1,590,159

Program Expenses...\$1,447,074

Management...\$76,328

Development...\$66,786

Total Expenses..... \$1,595,376



Thank You for Your Support

ENE is funded through the generosity of individuals and foundations. We extend our very deep gratitude to all of our supporters and would like to acknowledge in particular the following foundations that made major contributions to our 2009 programs:

Barr Foundation
Bernard and Anne Spitzer Charitable Trust
Davis Conservation Foundation
Emily Hall Tremaine Foundation
Energy Foundation
Horizon Foundation
John Merck Fund
Kendall Foundation
Merck Family Fund
Mertz Gilmore Foundation
New World Foundation
New York Community Trust
Oak Foundation
Orchard Foundation
Overbrook Foundation
Prospect Foundation
Rhode Island Foundation
Ruth H. Brown Foundation
Steve Leuthold Family Foundation



ENE works hard to maximize the use of our funding for programmatic work and maintains a four-star Charity Navigator rating. We are also pleased to have been listed among its Top Ten Worth Watching list for small charities.

Join ENE's New Climate Strategy Circle: Starting in 2010, donors who support ENE's work at a level of \$1,000 or more become part of our Climate Strategy Circle and will receive ENE special bulletins and be invited to all ENE events. Please consider joining this special group of donors who are working with ENE to reduce global warming and move our region and country towards the low carbon economy of the future.

***Donations can be mailed to Environment Northeast, P.O. Box 583, Rockport, Maine 04856.
To donate online visit <http://www.env-ne.org/Support>.***

PO Box 583
Rockport, ME 04856
(207) 236-6470
www.env-ne.org

