



<b>DATE:</b>	Monday, February 13, 2023
<b>LOCATION:</b>	Webinar Only
<b>TIME:</b>	12:30 – 4:00 pm Pacific Time
<b>WEBINAR:</b>	MS Teams – See link in calendar invite or register <a href="#">here</a>
<b>AUDIO:</b>	Web audio (or <a href="#">Telephone 971-323-0535</a> , <a href="#">Conf ID 284 324 285#</a> )

**AGENDA (All Times Pacific)**

**Page #**

12:30 – 12:40 pm (10 min)	<b>Welcome, Agenda &amp; Packet Review</b>	<i>Maria Alexandra Ramirez, NEEA</i> All	pp. 1-3 pp. 12-16
12:40 – 1:55 pm (75 min)	<b>Introductions &amp; Regional Roundtable</b>  <u>Objective:</u> NEEA staff & ISCC members share their latest progress, key upcoming activities, and any potential coordinating and leveraging opportunities relevant to this Committee, as well as ask/answer any relevant questions  <u>Desired Outcome:</u> Committee is aware of latest progress, activities, and any potential coordinating and leveraging opportunities throughout the region	All	Meeting Prep Highlights p. 3
1:55 – 2:10 pm (15 min)	<i>BREAK!</i>		
2:10 – 2:35 pm (25 min)	<b>Housekeeping Items</b> <ul style="list-style-type: none"> <li>✓ Check in on Hybrid Meetings</li> <li>✓ Proposed Plan for Priority 2 Topics</li> <li>✓ Finalize ISCC 2023 Workplan</li> <li>✓ Co-Chair position <i>open!</i></li> </ul>	<i>Maria Alexandra Ramirez, NEEA</i> All	Tier 1 Memos pp. 5-8
2:35 – 2:55 pm (20 min)	<b>High Performance HVAC – Agenda Topics for ISCC 2023</b> <ul style="list-style-type: none"> <li>✓ Proposed Timeline for Discussing Priority 2 Topics</li> <li>✓ Request for Additional Clarification on Topic A</li> </ul>	<i>Stephanie Quinn, NEEA,</i> All	Tier 1 Memo p. 9
2:55 – 3:55 pm (60 min)	<b>High Performance Windows (HPW) (R)</b> <b><i>New! Lessons Learned Panel Discussion: Engaging Multi-Family Projects</i></b>  <u>Objective:</u> Share and discuss as a region any lessons learned on engaging multi-family developers or other decision makers  <u>Desired Outcome:</u> <i>Committee collectively shares lessons learned to further understand approaches to multi-family projects, the decision-making process and any equity lens offerings on retrofit projects.</i>	<i>Tamara Anderson, NEEA,</i> <i>Kevin Watier,</i> <i>Snohomish PUD,</i> <i>Michael Lane,</i> <i>PSE,</i> <i>Natasha Houldson,</i> <i>Tacoma Power,</i> <i>Mekha Abraham,</i> <i>TRC,</i> All	Tier 1 Memo pp. 10-11
3:55 – 4:00 pm (5 min)	Public Comments, Polls/Feedback, Adjourn	<i>Maria Alexandra Ramirez, NEEA</i> All	--

# Memorandum – *Agenda Item (Tier 1)*

February 6, 2022

TO: Integrated Systems Coordinating Committee (ISCC)  
FROM: Maria Alexandra Ramirez, Stakeholder Relations Manager  
SUBJECT: Meeting Packet Agenda Items, Informational Updates and Additional Details



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## **MEETING PACKET APPROACH**

This packet continues the “tiered” approach:

- Tier-1 memos for active agenda items
- Tier-2 memos for informational updates on items not currently requiring agenda time
- Tier-3 materials provided as additional detail for those interested, accessible via links in the Tier-1 and Tier-2 memos. All other Tier 3 materials are listed below.

This approach helps keep packets concise and digestible. Any input for improvement is appreciated.

## **AGENDA ITEMS (Tier 1)**

- Page 1: Meeting Agenda
- Page 2: Meeting Packet Items
- Page 3: Meeting Preparation Highlights
- Page 4: NEEA’s Product Groups & Coordinating Committee Structure
- Page 5: ISCC Hybrid Meetings – In Person Option
- Pages 6-8: 2023 ISCC Workplan Priority 2 Topics
- Page 9: High-Performance HVAC Agenda Topics
- Pages 10-11: High-Performance Windows: Lessons Learned on Engaging Multi-Family Projects

## **INFORMATIONAL UPDATES (Tier 2)**

- Pages 12-13: Variable Speed Heat Pumps (VSHPs) Updates
- Pages 14-15: IRA Funding
- Page 16: HVAC Sales Data Report

## **ADDITIONAL DETAILS (Tier 3)**

- [Q4 2022 Market Research & Evaluation Newsletter](#)
- [Q3 2022 Emerging Technology Newsletter](#)
- [Q3 2022 Codes, Standards & New Construction Quarterly Newsletter](#)

# ISCC Q1 2023 – Meeting Preparation Highlights



Meeting Date & Time: February 13, 2023 12:30-4:00pm (Pacific Time)

## Preparation for All Committee Items:

- Please **review packet, including agenda and all memos**. See additional preparation for specific agenda items below.

## ➤ REGIONAL ROUNDTABLE:

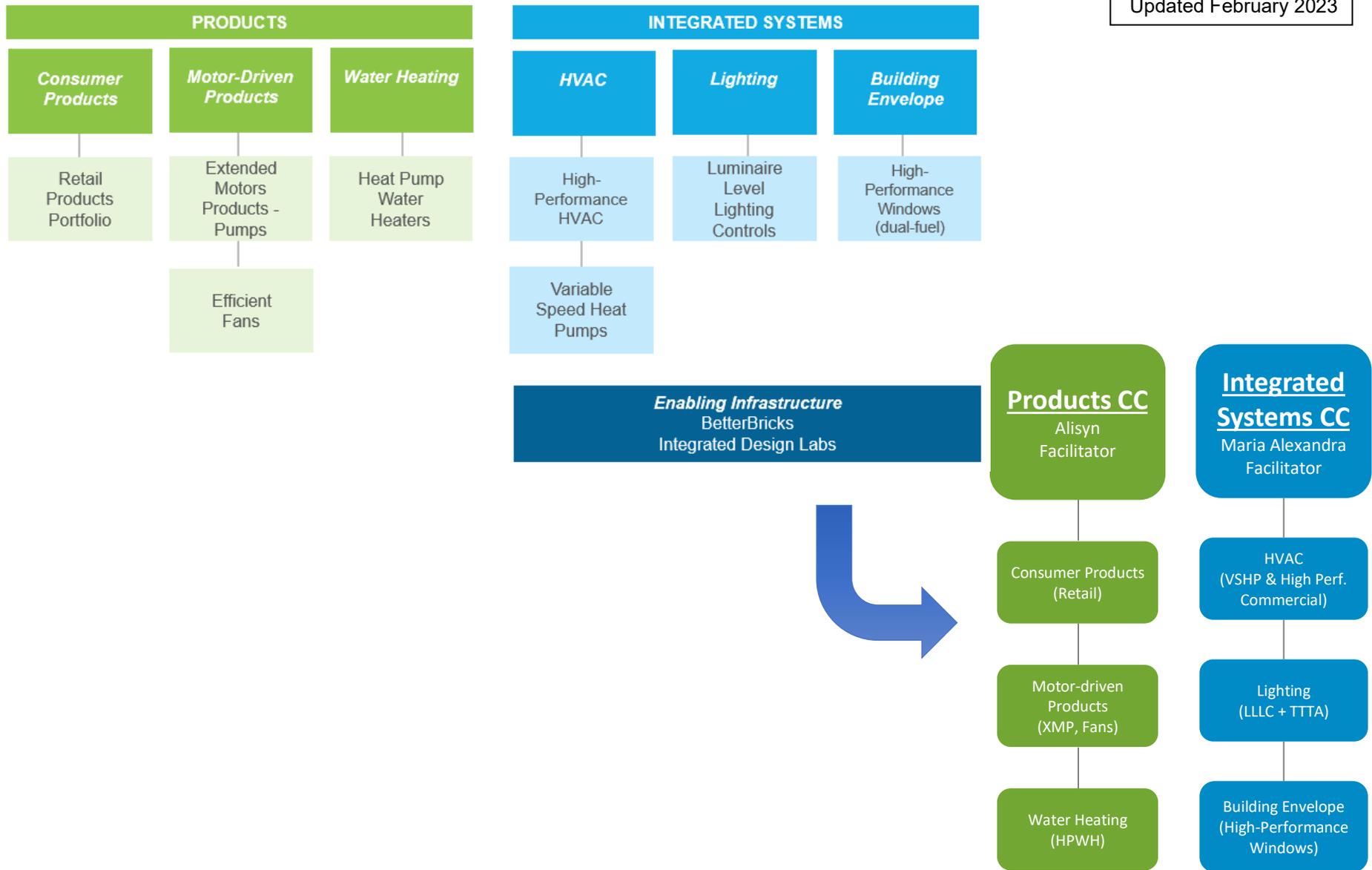
- Please **take 3-5min to highlight any organizational changes, recent program updates, regional activities and any coordination and leveraging opportunities** relevant to this Committee, including addressing the specific program team questions below. Thank you!
  - ✓ LLLCs: *Are utilities getting any traction with LLLC in the market?*
  - ✓ HPWs: *What are you doing to prepare market actors for Energy Star v7?*

## ➤ BUILDING ENVELOPE:

- **New! High Performance Windows (HPW) Panel Discussion: Engaging Multi-Family Projects:**
  - ✓ Please **review the Tier 1 memo on pp. 12-13** and **come prepared to engage with your peers** in a discussion on engaging with multi-family projects, including how to reach decision makers, understanding the leverage points and areas of influence for this market segment, and exploring an equity lens within retrofit projects. Thank you!

# NEEA's Product Groups and Coordinating Committees Structure

Updated February 2023



# Memorandum – Agenda Item Tier 1

February 6, 2023



TO: Integrated Systems Coordinating Committee (ISCC)  
FROM: Maria Alexandra Ramirez, Stakeholder Relations Manager  
SUBJECT: Q2 Hybrid Meeting Format: In-Person Option

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**Ask of You:**

**With regards to having in-person/hybrid or virtual meetings, please consider where you’re at personally, as well as any directives you may have organizationally, and come to our Q1 meeting ready to share whether you’ll be in attendance in person or virtual in Q2 and your preference for future meetings. Thank you!**

**Brief Overview:**

NEEA is piloting a hybrid meeting option for all Q2 advisory committee meetings to gauge whether stakeholders would like to have an in-person option for these meetings going forward. We’ve certainly learned a lot over the past three years on how to run meetings effectively in an all-virtual setting, and we’ve enjoyed some more equitable experiences as a result (*recall the old days of remote folks just being a voice on the phone*). In addition, there have been cost savings related to travel and facilities. On the other hand, we also recognize that there’s appetite by some folks to return to in-person for these forums, to reclaim some of the interpersonal connection and ad-hoc conversations that can occur when we’re together in-person.

In preparation for this, NEEA staff are thinking through the odds and ends of how to make the hybrid experience as equitable and effective as possible for all participants, particularly from a technology standpoint. Now we are looking to gauge from you whether you plan to attend in person, and ultimately, any preference you may have for future meetings. Recall that Q1 and Q3 will have shorter half-day webinars/meetings, whereas Q2 and Q4 will have “all-day” in-person/hybrid meetings or two half-day webinars over two days.

Here’s a list of 2023 ISCC meeting dates, as a reference:

2023 ISCC MEETING DATES	
Q1	Monday February 13
Q2	Monday May 15 & Tuesday May 16
Q3	Monday, August 14
Q4	Monday Nov 6 & Tuesday Nov 7

If you have any suggestions, questions and/or concerns, please feel free to contact me before or after the meeting at [maramirez@neea.org](mailto:maramirez@neea.org). Thank you!

# Memorandum – Tier 1 Agenda Item



February 6, 2023

TO: Integrated Systems Coordinating Committee (ISCC)  
 FROM: Maria Alexandra Ramirez, Stakeholder Relations Manager  
 SUBJECT: Confirming Process for Priority 2 Topics for 2023 ISCC Workplan

**Our Ask of You:**

- Please **review this memo and the 2023 ISCC workplan, including list of Priority 2 topics** (see workplan on p. 8) and
- **Come to the February 13 ISCC meeting with any suggestions and/or other considerations to help us align on a process** for reviewing Priority 2 topics
- Please feel free to offer your input directly in advance if you prefer. Thank you!

Proposal for Reviewing Priority 2 Topics:

As you can see from our 2023 ISCC Workplan on the last page of this memo, we’ve:

- ✓ Created a standing agenda item of 30 min at each quarterly meeting, to review Priority 2 topics.
- ✓ Listed all the Priority 2 topics that have come up during the Annual Planning sessions, in the ranked order as per survey results.
- ✓ Selected the first Priority 2 topics from each product group, along with the folks that were interested in each of these topics, and suggested the quarter for the Committee to review/discuss; see table below

Product Group & Program	Priority 2 Topics	Stakeholders Interested in Topic	Suggested Quarter to Review
Res Building Envelope: High Performance Windows (HPWs)	<b>Topic E: Savings/ Cost-effectiveness Barriers</b>	Tacoma Power, Idaho Power, ETO, NWE, BPA	Q3
Commercial Lighting: Luminaire Level Lighting Controls (LLLCs)	<b>Topic D: Shared Summarized LLLC Utility Project Data to gain insights on adoption of LLLC</b>	Avista, BPA, SCL, PSE, Tacoma power, Snohomish PUD, NEEA	Q4
Res HVAC: Variable Speed Heat Pumps (VSHPs)	<b>Topic E: Sharing on Supply Chain Constraints &amp; Labor Barriers</b>	Clark PUD, Inland Power	Q2 or Q4
Commercial HVAC: High Performance HVAC: VHE DOAS	<b>Topic E**:</b> Capacity Issues, shared learnings or approaches to quantifying benefits and applying cost-effectiveness calculations	SCL, Chelan PUD, ETO	Q2 or Q4

**\*\*This topic may be combined with other High Perf HVAC topics to be discussed during main agenda time**

Here’s what we’re proposing going forward to address these topics

- We’ll circle back with you folks and NEEA’s program management staff to:

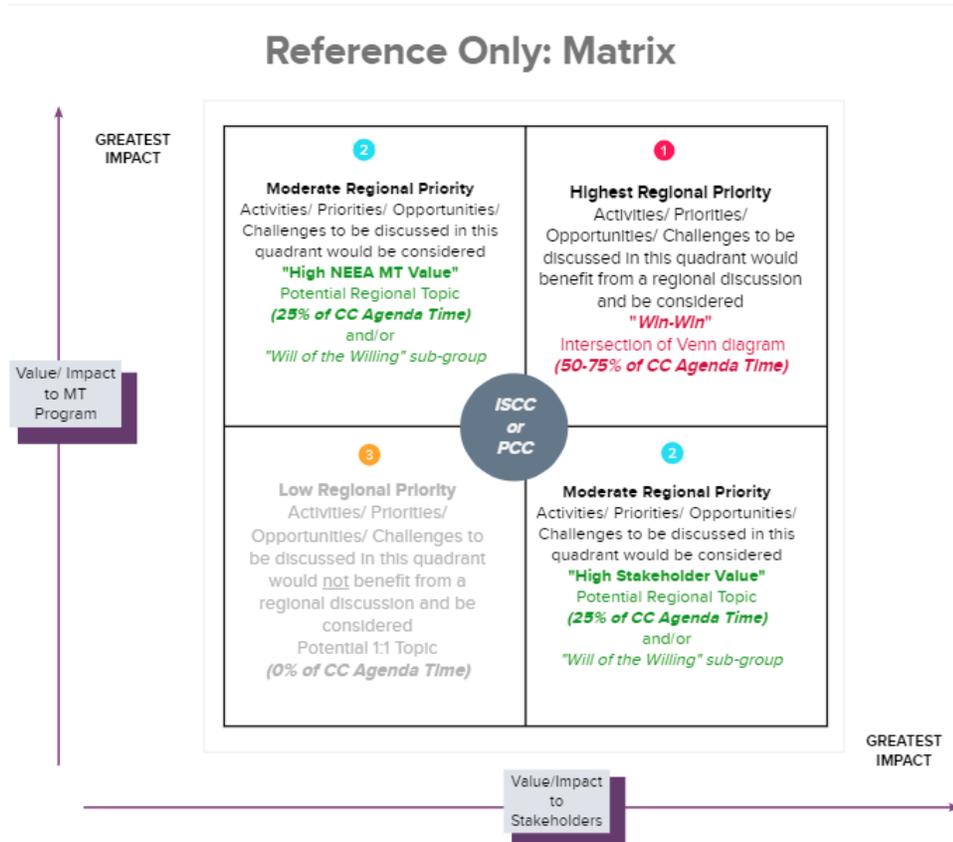
- Confirm the folks are still interested and willing to lead these topics
  - If no one is interested, then topic will be dropped from the Priority 2 list and the next topic on that product group list will be selected for discussion
- Confirm the best quarter to slot these topics, based on when folks are available and the committee audience that will already be covering a Priority 1 topic
- **Note:** The topic lead(s) would be asked to include a short memo in the relevant meeting packet to prep the Committee for a 15-30min discussion; memo would include the *what, why and who*:
  - *What is the discussion to be had? Why? Who would be impacted/ be necessary for the discussion?*

**What do you all think? Is it clear? Is there anything missing?** We look forward to hearing your thoughts and suggestions and aligning on this part of the process.

**Refresher: Priority 1 & 2 Topics:**

Priority 1 topics have greatest regional interest for further discussion this year and make up about 75% of the agenda.

Priority 2 topics have moderate regional interest for discussion and fill in the last 25% of the agenda; see matrix below..



Should you have any questions on this or if you think it'd be helpful to connect before our meeting, please reach out at [maramirez@neea.org](mailto:maramirez@neea.org). Many thanks, all!

2023 ISCC Workplan on next page:

# DRAFT ISCC 2023 Annual Workplan

**Reminder: 75% of Agenda is dedicated to Priority 1 topics, 25% to Priority 2 topics**

**PRIORITY 1 TOPICS**

**PRIORITY 2 TOPICS**

**ROUNDTABLE TOPICS**

**KEY PROGRAM HIGHLIGHTS**

**PORTFOLIO UPDATES**

**OTHER\***  
*\*Meeting dates, utility related, announcements, etc...*

**Q1 2023**  
**Feb 13**  
**1-4p (Virtual)**

**RES WINDOWS: High Perf Windows**  
Topic A: Convene & Collaborate Panel Session with guest speakers: Leverage IRA funding to understand new oppor for DOE funds **\*\*Postponed until we have more info from NEEA's Policy team**

Topic D: Lessons Learned Panel Discussion: **Engaging with Multi-Family projects**  
Desired Outcome: Committee collectively shares lessons learned to further understand approaches to multi-family projects, the decision-making process and any equity lens offerings on retrofit projects

**Q2 2023 - Day 1**  
**May 15**  
**(hybrid)**

**COMM LIGHTING: Luminaire Level Lighting Controls**  
Topic C: Review current LLLC training approaches/ topics which ISCC is already implementing/ planning

**COMMERCIAL HVAC: High Perf HVAC**  
Topic D: Discuss leveraging and navigating NEEA's QPL  
*TBD with ISCC in Q1*

**Q2 2023 - Day 2**  
**May 16**  
**(hybrid)**

**RES HVAC: Variable Speed HPs**  
Topic A: Regional cross-sharing: Understand & align incentive requirements to leverage IRA funding **\*\*Check with NEEA's Policy team**

or

Topic D: Regional sharing & leveraging of diff approaches to define baseline, address capacity issues/other benefits f/programs

**Q3 2023**  
**Aug 14**  
**(virtual)**

**RES WINDOWS: High Perf Windows**  
Topic A: Leverage IRA funding to understand new opportunities for DOE funds **\*\*Check with NEEA's Policy team**

**COMMERCIAL HVAC: High Perf HVAC**  
Topic A: Regional sharing & leveraging of diff approaches to define code baseline (Red Car Analysis) **\*\*If there's time on the agenda**

**Q4 2023 - Day 1**  
**Nov 6**  
**(virtual)**

**COMM LIGHTING: Luminaire Level Lighting Controls**  
Topic E: Share learning by utilities from LLLC projects & key takeaways from LLLC MPER#2

**COMMERCIAL HVAC: High Perf HVAC**  
Topic B: Local utility programs and Market Transformation regional program share out on key findings (program and technical or market research); Recapping the year's coordination and looking toward 2024  
*TBD with ISCC in Q1*

**Q4 2022 - Day 2**  
**Nov 7**  
**(virtual)**

**RES HVAC: Variable Speed HPs**  
Topic B: Understand new fed test stds & diff products in mkt for prog delivery **\*\*\***

or

Topic C: Explore how to improve mgmt of suppl heat in CC **\*\*\***

or

Topic D: Regional sharing & leveraging of diff approaches to define baseline, address capacity issues/other benefits f/programs

**\*\*\*Depending on how program & market progresses**

Overview and discussion of Priority 2 topics & their timeline for Q2-Q4

*Hold time for Priority 1-2 topics (~30 min)*

*Hold time for Priority 2 topics (~30 min)*

*Hold time for Priority 2 topics (~30 min)*

LLCs: Are utilities getting any traction with LLLC in the market?

HPWs: What are you doing to prepare market actors for E\*v7?

Variable Speed Heat Pumps (VSHPs)  
Potential Milestone Advancement into Market Development  
**Q2 2023 RPAC Vote**

High Performance Windows (HPWs)  
Potential Milestone Advancement into Market Development  
**Q4 2023 or Q1 2024 RPAC Vote**

Program Activity Reports  
2024 NEEA Ops Plan Highlights

EFX dates / registration

Program Activity Reports

NEEA Ops Plan webinar for RPAC

EFX topic solicitation Leadership Awards  
Confirm 2024 meeting dates

**LIST OF 2023 PRIORITY 1 TOPICS:**

*(in order of highest ranking, per survey)*

**Res Building Envelope: High Performance Windows (HPWs)**  
Topic D: Engaging with Multi-Family projects to understand approaches to multi-family projects, the decision-making process and any equity lens offerings on retrofit projects  
Topic A: Leverage IRA funding to understand new opportunities for DOE funds

**Commercial Lighting: Luminaire Level Lighting Controls (LLCs)**  
Topic C: Review current LLLC training approaches/ topics which ISCC is already implementing/ planning  
Topic E: Share learning by utilities from LLLC projects & key takeaways from LLLC MPER#2

**Residential HVAC: Variable Speed Heat Pumps (VSHPs)**  
Topic A: Understand & align incentive requirements to leverage IRA funding  
Topic B: Understand new fed test stds & diff products in market f/prog delivery  
Topic D: Regional sharing & leveraging of diff approaches to define baseline, address capacity issues/other benefits f/programs  
Topic C: Explore how to improve management of suppl heat in CC

**LIST OF 2023 PRIORITY 2 TOPICS:**

*(in order of highest ranking within each product group, per survey)*

**Commercial HVAC: High Performance HVAC (VHE DOAS)**  
*Committee did not align on any Priority 1 Topics. NEEA's recommendation is to review the Priority 2 topics during main agenda time as shown on the left; TBD with ISCC in Q1;*  
Topic B: Local utility prog & MT regional prog share out on key findings (program and technical or market research); Recapping the year's coordination and looking toward 2024  
Topic C: Lever fed, state, local funding (IRA, IIJA, ESSER) to promote syst approaches  
Topic A: Reg sharing & leveraging of diff approaches to define code baseline for this tech (Red Car Analysis)  
Topic E: Discuss capacity issues & shared learnings/ approaches to quantifying benefits & applying CE calc  
Topic D: Leverage/navigate NEEA's QPL

**Res. Building Envelope: High Performance Windows (HPWs)**  
Topic E: Savings/ CE barriers  
Topic B: Review new E\* V7 spec to understand opportunities re: NEEA's MT practice & utility prog strategies  
Topic F: Cross-sharing experiences from local + NEEA perspectives  
Topic C: Discuss product avail challenges in rural areas/ bulk purchase opportunity "Buyers Club"

**Commercial Lighting: Luminaire Level Lighting Controls (LLCs)**  
Topic D: Share summarized LLLC utility project data to gain insights on adoption of LLLC  
Topic B: Discuss utilities' experience & opportunities to expand advance controls to exterior applications  
Topic A: Review approaches for reporting  
LLC energy savings, incl RTF & utility methodologies  
Topic F: Discuss challenges with incentivizing LLLC, including CE

**HVAC Residential: Variable Speed Heat Pumps (VSHPs)**  
Topic E: Sharing on supply chain constraints & labor barriers

# Memorandum – Agenda Item (Tier 1)



February 6, 2023

TO: Integrated Systems Coordinating Committee (ISCC)

FROM: Maria Murphy, Senior Program Manager

SUBJECT: Confirmation & Clarification of VHE-DOAS Topics & Timeline for 2023 ISCC Meetings & Workplan

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## **Our Ask of You:**

- Do you have any questions/concerns about the proposal below to review/discuss the 2023 ISCC Priority 2 agenda topics for High-Performance HVAC Program during the main agenda time?
- Please see the questions bolded below and come prepared to discuss your goals on cost-effectiveness regarding [Topic A](#) listed below, and take a poll

## Topic & Timeline Proposal for 2023 ISCC Discussion:

NEEA proposes the following Priority 2 topics and timeline for 2023 ISCC main agenda discussions, based on the high-performance HVAC program's very high efficiency DOAS Annual Planning session discussions and survey results:

- Q2 **Topic D:** Discuss leveraging and navigating NEEA's QPL
- Q3\* **Topic A: Regional sharing & leveraging of different approaches to define code baseline for this technology (Red Car Analysis)**
  - *\*Potentially slotted for Q3, if there's time on the agenda*
- Q4 **Topic B:** Local utility programs and Market Transformation regional program share out on key findings (program and technical or market research)- Recapping the year's coordination and looking toward 2024
- TBD\*\* **Topic E:** Discuss capacity issues & shared learnings/ approaches to quantifying benefits and applying CE calculations
  - *\*\* Perhaps combine with one of the other topics listed here or slot during the regular discussion time of Priority 2 topics*

With respect to [Topic A](#), the team is needing additional clarification to best prep for this topic. To help inform this, the NEEA team asks that you come prepared to discuss the following question(s):

- 1. Are you looking to leverage NEEA's data/analysis<sup>1</sup> to inform your measure development?**
- 2. Are you working to interpret NEEA's data/analysis for informational purposes?**
- 3. Are you looking to hear from other utilities about how they're approaching cost effectiveness for this tech?**
- 4. Is it a combination of these? Please select all that apply in the poll**
- 5. None of the above**

❖ **Do you think this should be a committee-wide conversation or not?**

Depending on the clarification received, this topic A may be postponed to a later ISCC meeting or addressed separately.

Please contact [Maria Murphy](#) if you have questions about this memo.

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<sup>1</sup> Data and analysis includes the following reports: NEEA's [Expanded Efficiency Parameters for Very High Efficiency DOAS Report](#) (Red Car Analytics, 2022); NEEA's [Review of Market Share Forecast and Key Assumptions Report](#) (Cadmus, 2022); NEEA's [Economic Analysis of Heat Recovery Equipment in Commercial DOAS Report](#) (Red Car Analytics, 2019)

# Memorandum – *Agenda Item (Tier 1)*



DATE: February 6, 2023  
TO: Integrated Systems Coordinating Committee  
FROM: Tamara Anderson, Program Manager  
SUBJECT: Lessons Learned Panel Discussion: Engaging Multi-Family Projects

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## Our Ask of You:

Please come prepared to engage with your peers in a discussion around engaging with multi-family projects, how to reach decision makers, understanding the leverage points and areas of influence for this market segment, and exploring an equity lens within retrofit projects. The intention is to keep this topic conversational, and to share out lessons learned from working with multi-family projects. While High-Performance Windows (U-value .22 or less) may be included in the multi-family projects discussed, the lessons learned may be applicable beyond windows. Feel free to invite interested staff to this discussion.

## Brief Overview:

The following people will be participating in a panel discussion on Lessons Learned / Engaging Multi-Family Projects and sharing their insights from their work.

- **Kevin Watier, Sr. Program Manager, Snohomish PUD** will speak from his previous experience managing their Multi-Family Direct Install and Weatherization Programs. For Snohomish PUD, their multi-family work falls under their [business rebates](#). Projects need to be pre-approved and participants need to complete an application and workbook. Kevin can discuss the strategy and criteria around their outreach to income qualified neighborhoods to expand the program’s reach.
- **Michael Lane, Sr. Energy Management Engineer - Business Lighting, Puget Sound Energy** will speak on how PSE is approaching equity in their [multi-family retrofit program](#). Through an analysis of multi-family property ownership, they found that more affordable housing is often owned by a sole proprietor as opposed to large portfolio investment owners, and those smaller sites correlate to older properties.

PSE utilized that analysis to help define their “Moderate Income” subset of multi-family customers with the attributes below that are easily accessible to contractors and building owners alike. Sites that meet one or more of the following criteria can qualify for elevated Moderate Income incentives:

- Site is within a Tribal Community
- Site was built before 1986
- Site offers rent assistance
- Site is classified as "affordable" or "mixed (market/affordable)"

PSE has also specifically defined “Named Communities” within their service territory and the Multi-Family Retrofit projects are periodically tracked against these areas to chart progress.

- **Natasha Houldson, PE, Business Customer Energy Programs, Tacoma Power** will speak on multi-family new construction work, especially in their downtown and nearby areas. To date, the focus of Tacoma Power efficiency incentives has been on efficient LED lighting in the portions of these projects relevant to the commercial Energy Code - corridors, common areas, interior parking, and exterior lighting. As of Q1 2023, they are in the early stages of considering incentives for space conditioning with heat pumps, better-than-code heat recovery project ventilation performance, and central heat pumps for efficient service water heating. A key driver of owners' and developers' decision-making process is, of course, project economics. As with the lighting incentives, the utility program design goal would be to provide incentives that drive both developer interest and cost-effective energy savings.

A major incentive offered to developers by the city of Tacoma is the [City of Tacoma's Multi-Family Property Tax Exemption](#), exempting "qualifying projects from property taxes on the assessed improvement value for 8, 12, or 20 years based on the level of affordability provided."

[Tacoma City Council Votes to Adopt Proposed Changes to Multifamily Property Tax Exemption Program](#). Note at this reference that two developers expressed their appreciation for the work of the Government Performance and Finance Committee. These and other developers involved in the process would likely be good references for additional information.

- **Mekha Abraham is the Program Manager for the Oregon Multifamily Energy Program**, which her firm, TRC, implements on behalf of Oregon Housing and Community Services. The [Oregon Multifamily Energy Program](#) promotes and facilitates energy-efficient design in affordable multifamily housing. Mekha has been working in the multifamily sector for more than 10 years and has worked on multifamily energy efficiency programs across the country in Oregon, Maine, New York, and California.

Please contact Tamara Anderson via [tanderson@neea.org](mailto:tanderson@neea.org) if you have questions about this memo.

**PROGRAM LIFECYCLE STATUS For High-Performance Windows**



# Memorandum – *Informational Update (Tier 2)*



February 6, 2023

TO: Integrated Systems Coordinating Committees (ISCC)

FROM: Suzi Asmus, Program Manager, Residential HVAC

SUBJECT: Variable Speed Heat Pumps (VSHP) Residential HVAC

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## **Our Ask of You:**

***Please read the brief overview below and share with your Residential HVAC program teams and RPAC members. Thank you!***

## **Brief Overview:**

Hello ISCC Folks! There is A WHOLE LOT GOING ON in Residential HVAC. Woah! From a coordination standpoint here are the items/activities that the VSHP team would like to bring to your attention.

- ✓ Upcoming RPAC vote in Q2 or Q3 2023:
  - Foremost is the team’s intention to bring our residential variable speed heat pump (VSHP) program to the Regional Portfolio Advisory Committee (RPAC) in Q2 or Q3 of this year for a vote to advance the program from the “Program Development” phase into “Market Development”, (see Lifecycle map on the next page).
  - **Ask of You:** Since many of you or your colleagues participated in our ResHVAC funder workgroup in Q4 and provided input and feedback on our program design, please coordinate with your team internally, including your RPAC member if you have one, to make sure everyone has all the information they need on this program, to prep for this vote. Thank you!
  
- ✓ Identifying Heat Pumps for Cold Climates:
  - Throughout this Program Development phase, the team has been working to identify heat pumps that perform well in cold climates and those that deliver at a high COP in mild temperatures (“Low load efficient”). As part of this work, we’ve engaged with manufacturers to determine which products exist in the market and how can we identify them when we see them.
  - **Next Steps:** At the AHR Expo in early February, the team will be leading a bi-national group to engage more manufacturers on heat pump efficiency improvements and to gather more market information.
  
- ✓ Implementing Test Procedures Amendments:
  - On January 13, the U.S. Department of Energy (DOE) issued a [pre-publication](#) Federal Register notice, that is undertaking the preliminary stages of a rulemaking, to consider amendments to the test procedure of central air conditioners and heat pumps. DOE is seeking data and information on the amended test procedures. NEEA will recommend DOE not make a final decision until we have results from the Rating Representativeness study, which is currently underway with participation from NEEA and other efficiency partners.
  - **Next Steps:** NEEA is preparing for a Notice of Proposed Rulemaking on this same topic, that is expected in the first half of this year. These test procedure amendments could lock in additional heat pump savings starting as early as 2029.

- ✓ Engaging in Inflation Reduction Act:
  - As you have likely heard, DOE announced in late 2022, that the Inflation Reduction Act (IRA) residential heat pump tax credit criteria, will point to the Consortium for Energy Efficiency (CEE) efficiency Tiers. NEEA sees this as an opportunity for CEE to align their Tiers with Energy Star Most Efficient, and for both programs to support markets reaching for higher heat pump efficiency.
  - **Ask of You:** NEEA encourages NW alliance members to engage in the CEE-led conversation about which heat pump improvements or attributes their tiers could best support to continually increase heat pump efficiency standards.
  
- ✓ Upcoming Res HVAC Conference:
  - A new residential HVAC event is coming very soon - the [ACEEE Hot Air Forum](#), March 7-8. In response to NEEA and other members' urging, ACEEE has expanded their annual Hot Water Forum to include two days of space heating content. NEEA will be presenting and leading discussions on improving heat pump efficiency and further transforming the residential heating market.

Please contact [Suzi Asmus sasmus@neea.org](mailto:sasmus@neea.org) if you have questions about the **VSHP** Program.

### **PROGRAM LIFECYCLE STATUS**



# Memorandum – *Informational Tier 2*

February 6, 2023

TO: Natural Gas Advisory Committee (NGAC)

FROM: Jonathan Belais, Policy Manager, NEEA Staff

SUBJECT: Federal Opportunity Coordination – IRA Funding

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## **Our Ask of You:**

Please review the memo and bring any questions, recommendations, feedback, or concerns to the Q1 NGAC meeting on February 1, 2023, or contact me at the email below.

## **Context**

The passage of the Infrastructure Investment and Jobs Act (IIJA, 2021) (IIJA), also known as the Bipartisan Infrastructure Law (BIL), and the Inflation Reduction Act (IRA, 2022) has meant a dramatic increase in federal activity and the emergence of a variety of new opportunities for energy efficiency stakeholders. NEEA staff are closely tracking these opportunities and working to incorporate them into market transformation strategies, where appropriate. As state agencies are the primary conduit for much of the increased energy efficiency funding, NEEA will continue to work closely with each state to best leverage these new resources and NEEA’s expertise to support the regional adoption of efficient products and practices.

NEEA staff have received several requests from utility staff interested in potential regional coordination efforts. Staff strongly suggest that interested committee members coordinate with their state energy offices to identify the best avenues of engagement. Additionally, your states may offer consolidated information regarding recent or upcoming federal opportunities (see [Idaho’s tracker](#) of federal funding opportunities or [Oregon’s blog](#) on bringing federal funds to Oregon). Federal Request for Information (RFIs) are a good way to provide direct feedback to the relevant federal implementation teams, but coordination locally will be critical as the needs and plans of individual states will vary greatly.

## **NEEA’s Role**

NEEA staff are aware of the scale of this collective opportunity and will continue to identify ways NEEA can help to maximize the impact for the region. Due to the structure of the new and expanded programs outlined in IIJA/BIL and IRA, it is unlikely NEEA will be a direct recipient for most programs. Instead, NEEA will continue to work with funders, market actors, and other stakeholders to adapt to and prepare for the shifting political landscape. Resulting shifts in market strategies and program activities will continue to flow through coordinating committees (electric) and NGAC (gas) to help align with local programs. NEEA staff are connecting regularly with the region’s state energy offices to support coordination and identify connections to NEEA’s work. As more concrete opportunities for engagement develop, NEEA may serve as a regional convener for discussions regarding upcoming opportunities.

## **Timing**

The timeframe for these opportunities and associated activities is uncertain. As federal agencies have grappled with the exponential increase in new program and staffing needs, the development and release of information and new federal program funding has been markedly slow. It is also important to

remember that many of these resources, including the \$9 billion in new residential efficiency rebates, will be dependent upon proposals and timing from state agencies and may have multiple application windows over the coming years. While a few opportunities are already live, expectations are that the first half of 2023 will see a bevy of new Requests for Information (RFIs), leading to a similar number of Federal Opportunity Announcements (FOAs) in the second half of the year. NEEA staff are monitoring previous and existing RFIs and FOAs and will continue to track upcoming opportunities as they are released. Just to highlight a few high-profile efficiency programs:

1. [Live] [Industrial Efficiency and Decarbonization](#) – Full Applications due 1/4/23
2. [Live] [Resilient and Efficient Codes Implementation](#) – Concept Papers due 1/27/23
3. [Live] [Renew America’s School Grant](#) – Available until expended
4. [Home Energy Rebate Programs](#) (High-efficiency Electric Home Rebate Program and Whole Home Energy Reduction Rebate) – RFI responses due March 3, FOA in late 2023

Please contact NEEA’s Policy Manager, Jonathan Belais ([jbelais@neea.org](mailto:jbelais@neea.org)), with any questions.

# Memorandum – Informational Item (Tier 2)



February 6, 2023

TO: Integrated Systems Coordinating Committee (ISCC)

FROM: Debbie Driscoll, HVAC Market Transformation Manager, NEEA  
Joan Wang, Market Research Project Lead, BPA

SUBJECT: HVAC Sales Data Report

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### **Our Ask of You:**

Share the newly released [2016-2021 Research Summary](#) and [Data Set](#) with appropriate members of your team. Encourage staff to utilize to inform programs and planning and reach out with any requests for future reporting on these data.

### **Brief Overview:**

In 2016, NEEA and BPA began partnering to collect and analyze full category residential and commercial HVAC sales data in the four-state region (ID, MT, OR, and WA). The data is currently used for NEEA’s benefit cost models, BPA’s residential HVAC market model, RTF measure development, power planning, market opportunity and strategy development, and regional investment decisions.

For 2021, the team received data from an unprecedented number of suppliers, representing approximately 40 percent of residential-scale HVAC sales in our region.

BPA and Cadeo recently completed their analysis of sales data for the years 2016 – 2021, including sales trends for ductless heat pumps, ducted air source heat pumps (with sub-analysis of variable speed heat pumps), gas furnaces, and air conditioning (including insights on window units from NEEA’s Retail Product Portfolio data). A summary report highlighting trends, along with the complete, anonymized data set are available on BPA’s HVAC Research website under the “Cross Market” section:

<https://www.bpa.gov/energy-and-services/efficiency/market-research-and-momentum-savings/hvac-market-research>.

Please contact **Debbie Driscoll** at [DDriscoll@neea.org](mailto:DDriscoll@neea.org) or **Joan Wang** at [JJWang@bpa.gov](mailto:JJWang@bpa.gov) if you have questions about this memo.