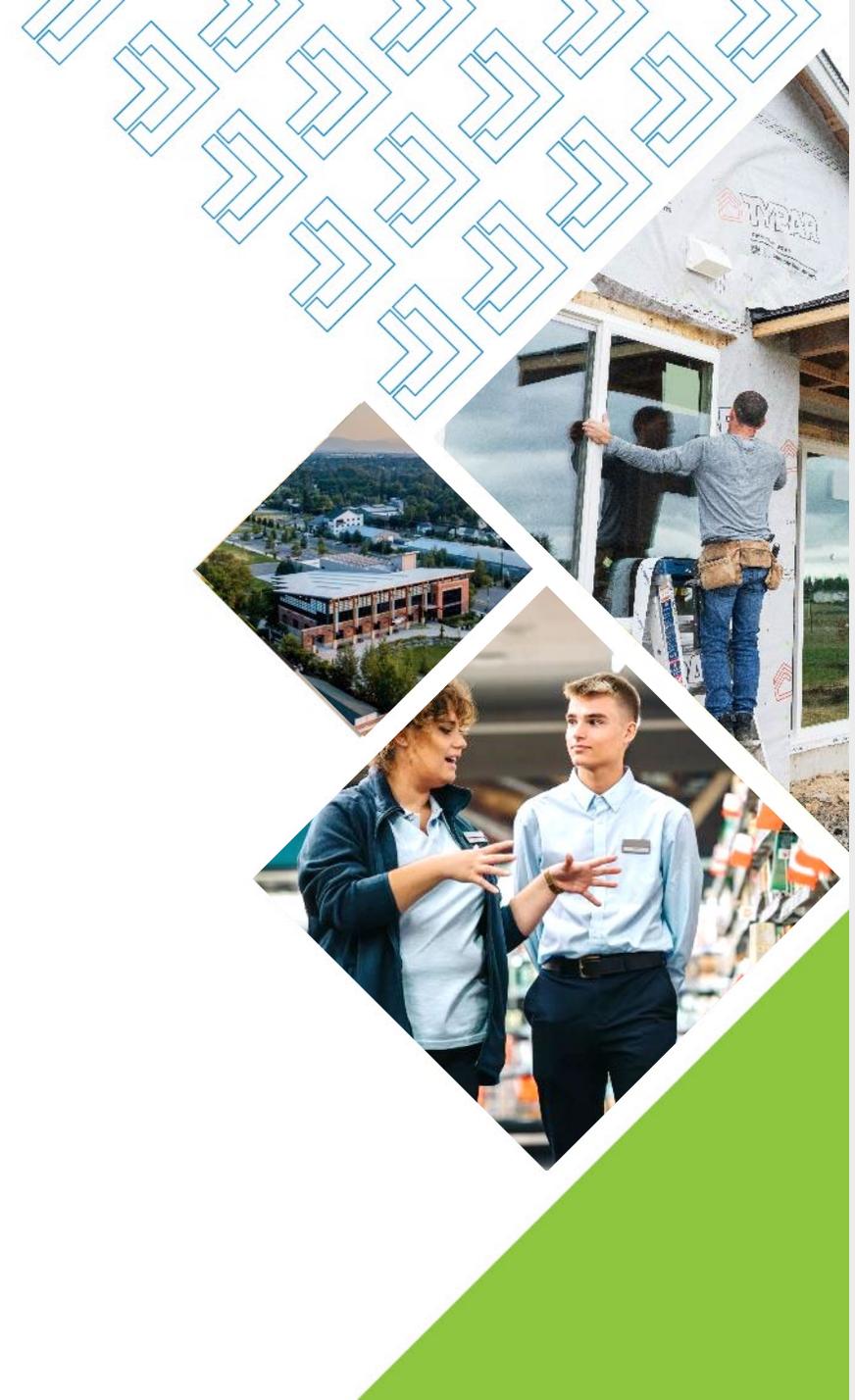
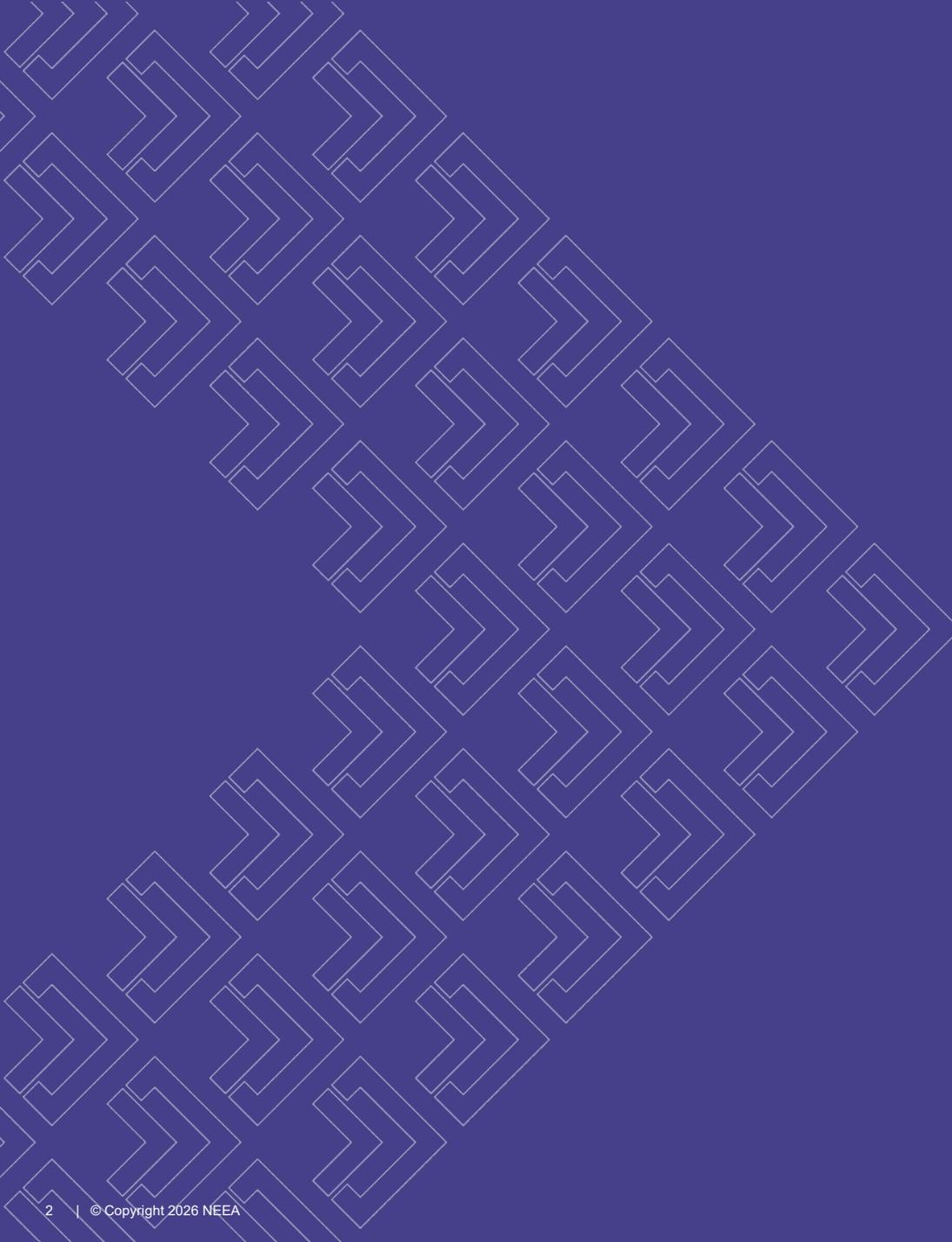




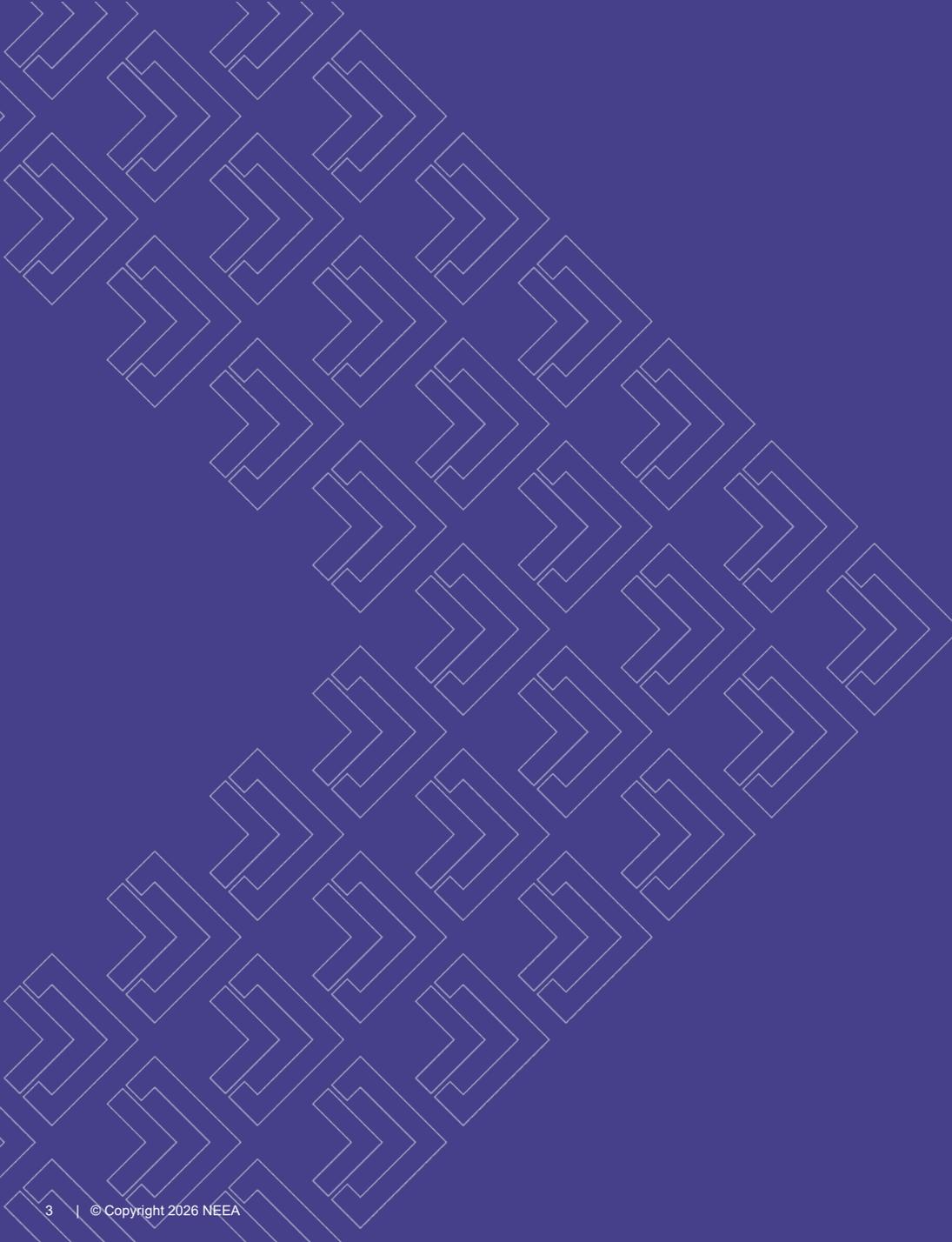
2026 Board of Directors Orientation

March 12, 2026





Welcome



Introductions



Today's Agenda

Welcome + Introductions

NEEA Business Model + Market Transformation Approach

Bylaws, Governance + Stakeholder Committees

Financials

Business Processes

Wrap-up: Q + A



Orientation Objectives

- Gain enhanced understanding of Market Transformation and how to support this work as a Board member.
- Gain a shared understanding of the responsibilities of Board members and Board Officers as well as NEEA staff responsibilities.
- Provide a venue to ask questions about governance, process and NEEA's purpose.
- Provide a forum to know other board members outside of the Board meeting.



Group Norms

Communicate with...

- Compassion for others and ourselves
- Positive intentions and honesty
- Thoughtful feedback for others (and invite it for ourselves)
- Curiosity rather than judgement
- A growth mindset
- Humility and limited influence from ego
- Patience for ourselves, each other, and the processes we work through together

Reflect on...

- How and why this experience may be healthily uncomfortable
- Our roles in systems and institutions

Commit to...

- Engaging in this work, however engagement may look for you
- Being accountable for both our intentions and impacts
- Being both a teacher and a learner
- Facilitate everyone's participation in discussions
- Engaging in conflict and disagreement with respect for each other



Discussion

What do these norms mean to each of you?

How can we as a Board model these norms and commitments?



What Board Members Hope to Learn



***NEEA Business Model,
Approach to
Market Transformation***



NEEA's Unique, Proven Approach





⇒ *Mission + Purpose*

Mission: NEEA catalyzes the most efficient use of energy for a thriving Northwest.

Purpose: NEEA is an alliance of utilities and partners that pool resources and share risks to transform the market for energy efficiency to the benefit of all consumers in the Northwest.



2025-2029 Strategic Goals

1

Transform markets for energy efficiency

2

Accelerate the adoption of **grid-enabled end-use technologies**

3

Advance strategies to **reduce greenhouse gas emissions**

4

Advance the **equitable delivery of energy efficiency benefits** to Northwest consumers

NEEA's Unique Approach to Successfully Transforming Markets





What is Market Transformation?

The strategic process
of intervening in a market
to create lasting change
in market behavior.



Why Market Transformation?

Growing need for this proven framework to address:

- **Growing recognition** that energy efficiency is still foundationally important to energy system needs and the key to unlocking important non-energy benefits for both utilities and customers.
- **Increasing complexity** of energy efficiency opportunities challenges historic utility program models.
- **Need for aggregated demand** to effectively engage national and global market actors and supply chains that deliver efficient goods and services.



NEEA's Unique Role in the Region

Creating permanent change in the market that results in energy savings

- **Aggregated Market Power:** Leveraging demand from more than 14.5 million consumers
- **Supporting Integrated Regional Planning:** Directly informing local + regional planning
- **Convening + Collaborating:** Creating forums for stakeholder discussions
- **End-to-end process:** Complete MT process in collaboration with utilities and markets.



What is an Intervention?

to intervene in Market Transformation

an intentional action designed to
change behavior, influence decisions, or
remove friction in the market



Quiz

1 An intervention is any intentional action designed to shift behavior, remove friction, or accelerate adoption in a market.

True

False

2 What is the key difference between strategy and tactics in Market Transformation?

Strategy is optional; tactics are required

Strategy is about long-term goals; tactics are about short-term actions

Strategy and tactics are two words for the same thing

Strategy is how you run marketing campaigns

3 Which of the following is an example of a tactic used to support a strategy focused on increasing product awareness?

Developing a national energy efficiency policy

Launching a rebate to lower product cost

Building a long-term market transformation vision

Running a social media campaign to promote a new efficient product



Case Study: Ductless Heat Pumps

INITIATION

- Identify potential markets
- Conduct Business Model Canvas Assessment
- Plan



NECA Grant PUDs
Demonstration Projects

COMPLETION

- Supply Side Network
- Local Utility Programs
- Distributor Consensus



Technical Training
and Field Testing



Master Installer
Program Launches

SUCCESS

900+ installers certified

Program goal of 2,500 installed units met

4,000



Utility Programs
and Incentives

Retail Partnership
Launches



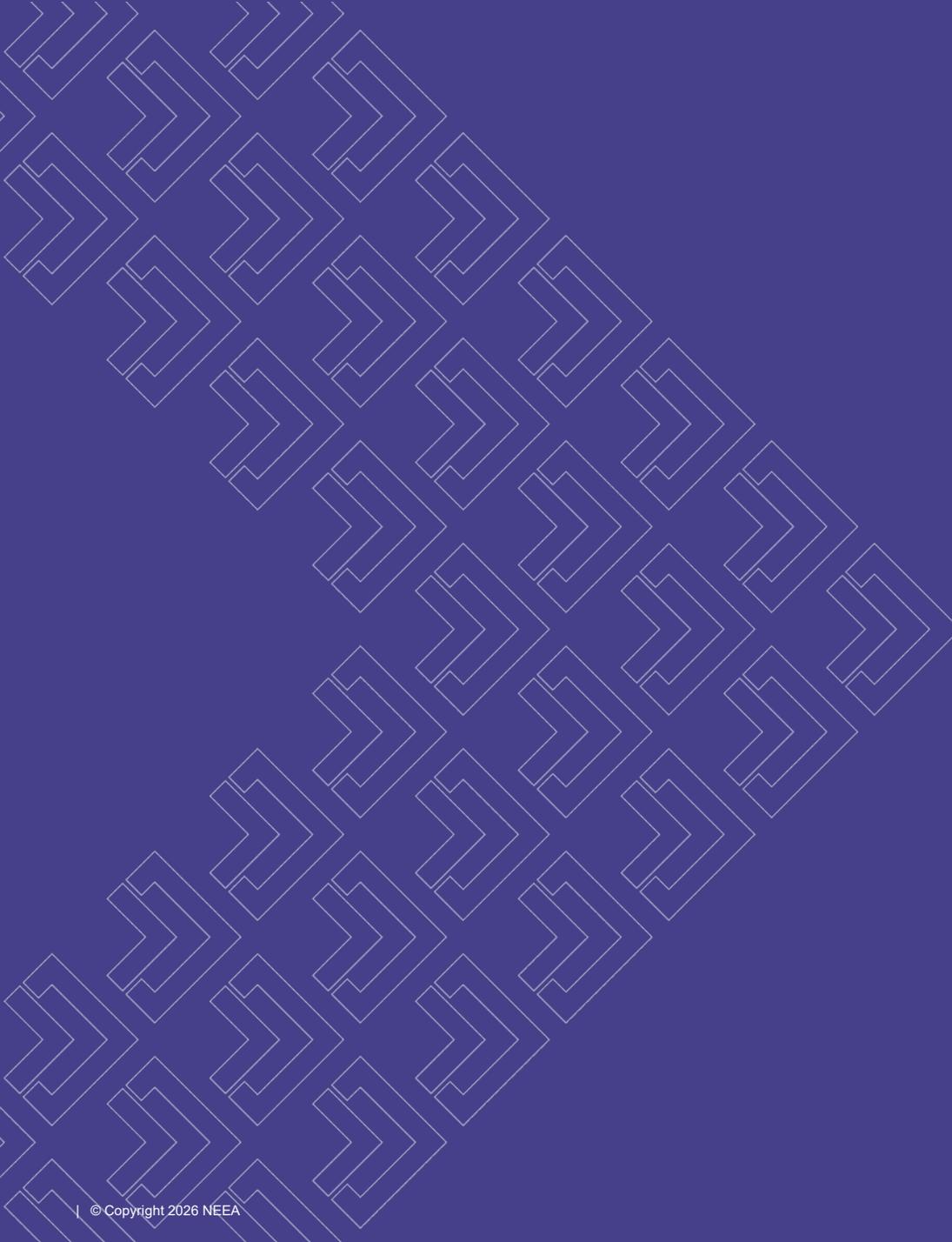
Discussion

What insights or observations do you have about this case study?

What challenges did DHPs face in the market and/or in your service territories?



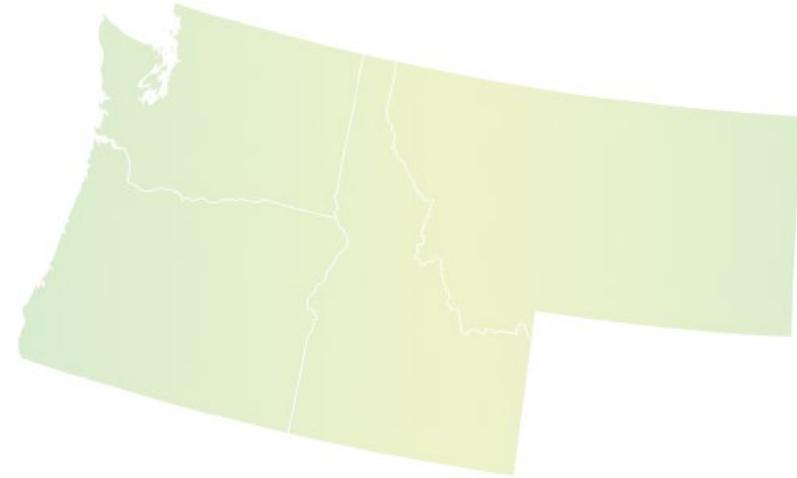
BREAK



***Bylaws, Governance
+ Stakeholder
Committee Structure***

Bylaws/Policies/ Guidelines/Charters

Guide to the NEEA Board Manual



2026 NEEA Board Manual





NEEA is a 501(c)(3) Entity

A **501(c)(3) nonprofit** is defined as a **nonprofit organization** that the IRS recognizes as tax-exempt (excused from paying federal income tax) because it is **organized** or operated primarily for religious, **charitable**, scientific, educational, or similar purposes.



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
PO Box 2508
Cincinnati, OH 45201

Date: April 13, 2022
Employer ID number: 93-1228867
Form 990 required: 990, Yes
Person to contact: Name: V Rackley
ID number: 0727576

NORTHWEST ENERGY EFFICIENCY
% JOE KRAUS
700 NE MUTLNOMAH ST STE 1300
PORTLAND, OR 97232-4113

Dear Sir or Madam:

We're responding to your request dated May 24, 2021, about your tax-exempt status.

We issued you a determination letter in February 1998, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax-deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period.

- Form 990, Return of Organization Exempt From Income Tax
- Form 990-EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

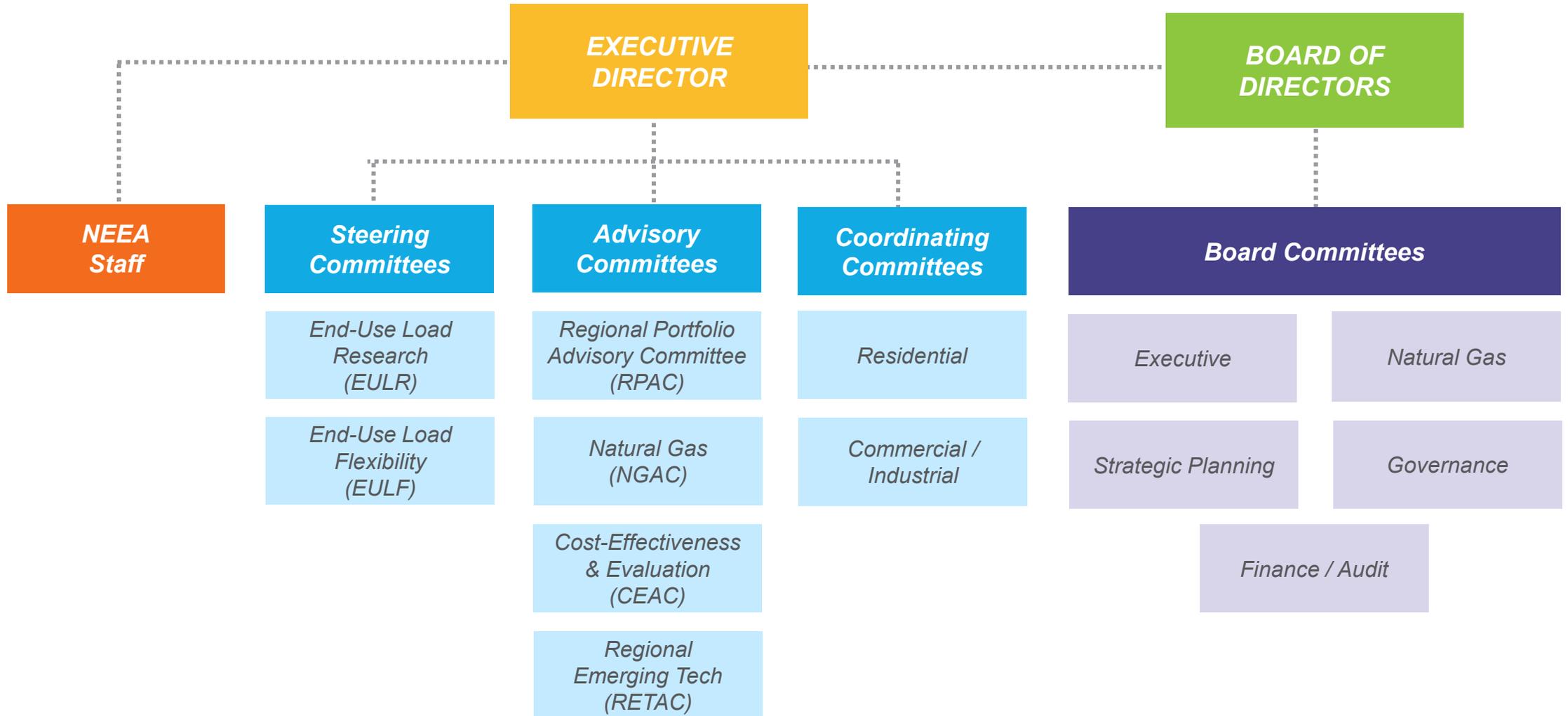
Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Letter 4168 (Rev. 9-2020)
Catalog Number 66666G



Governance & Advisory Structure





Board Committees + Leadership



2026 Board Membership

- **GILBERT ARCHULETA**, Puget Sound Energy
- **BRITTANY BROYLES**, Tacoma Power
- **MICHAEL COLGROVE**, Energy Trust of Oregon
- **JAMAE HILLIARD CREECY**, Bonneville Power Administration
- **DEBBIE DEPETRIS**, Clark Public Utilities
- **KELLYE DUNDON**, NW Natural
- **JOE FERNANDI**, Seattle City Light
- **VACANT**, Snohomish County PUD
- **NICOLE HYDZIK**, Avista Utilities
- **DAN JAMES**, Bonneville Power Administration
- **CHRIS JOHNSON**, Benton PUD
- **WHITNEY JURENIC**, NorthWestern Energy
- **JOSH MITCHELL**, Chelan County PUD
- **VACANT**, Pacific Power
- **QUENTIN NESBITT**, Idaho Power Company
- **ELIZABETH OSBORNE**, Northwest Power and Conservation Council, Washington Governor's Office
- **EILEEN QUIGLEY**, Public Interest Representative
- **CALEB REIMER**, Cascade Natural Gas Corporation
- **KYLE ROADMAN**, Emerald PUD
- **BONNIE ROUSE**, Montana Energy Office
- **RUCHI SADHIR**, Oregon Department of Energy



Board Leadership

The 2025-26 Board officers and Executive Committee members are:



Gilbert Archuleta,
Chair
*Puget Sound
Energy*



Nicole Hydzyk,
Secretary
Avista

Vacant,
At-Large
Pacific Power



Joseph Fernandi,
Vice Chair
*Seattle City
Light*



Kyle Roadman,
Treasurer
Emerald PUD



Board Committee Chairs + Staff Liaisons

EXECUTIVE

Gilbert Archuleta



STRATEGIC PLANNING

Mike Colgrove



GOVERNANCE

Elizabeth Osborne



FINANCE + AUDIT

Kyle Roadman



NATURAL GAS

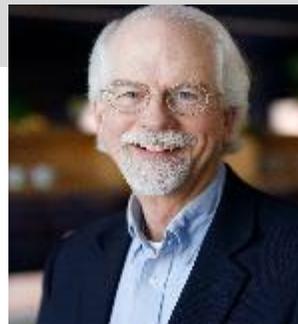
Kellye Dundon



Becca Yates



Jeff Harris



Virginia
Mersereau



Becca Yates



Kyle Burchard



Becky Walker





Standing Board Committees

Executive Committee	Strategic Planning	Governance Committee	Finance/ Audit	Natural Gas
Gilbert Archuleta (Chair)	Mike Colgrove (Chair)	Elizabeth Osborne (Chair)	Kyle Roadman (Chair)	Kellye Dundon (Chair)
Joe Fernandi (Vice Chair)	Debbie DePetris	Josh Mitchell	Brittany Broyles	Gilbert Archuleta
Nicole Hydzik (Secretary)	Josh Mitchell	Eileen Quigley	Quentin Nesbitt	Mike Colgrove
Kyle Roadman (Treasurer)	Kyle Roadman	Ruchi Sadhir		Nicole Hydzik
Vacant (At-Large)				Caleb Reimer
				Bonnie Rouse



NEEA Leadership Team



Jane Waian
Senior Executive
Assistant & Board
Liaison
503-688-5433
jwaian@neea.org

Executive Director
Becca Yates
503-688-5450
byates@neea.org



Jeff Harris
Chief
Transformation
Officer
503-688-5403
jharris@neea.org



Kyle Burchard
Vice President,
Business
Administration
503-688-5447
kburchard@neea.org



Virginia Mersereau
Vice President,
Stakeholder
Relations, Strategy +
Communications
503-688-5491
vmersereau@neea.org



Becky Walker
Chief Program
Officer
503-688-5472
walker@neea.org

Human Resources

Lindsey Prout
HR Director

Geoff Schively
Senior Corporate Counsel

Market Transformation Division

Nathan Martinez
Director
Market Analytics, Research +
Evaluation

Emily Moore
Director
Market Strategy + Execution

Mark Rehley
Director
Codes, Standards + Emerging Tech

Stephanie Rider
Director
Portfolio Management,
Reporting + Data Analytics



Board Member Roles + Decision Making



Roles

Board

- Financial oversight
- Legal + policy oversight
- Mission/policy
- ED hire and performance
- Ambassador for organization

- *Funding*
- *Strategic Planning*
- *Finances*
- *Org. perf.*
- *Risk mgmt*

Exec Director

- Staff/org management
 - Program oversight
 - Operations & IT security
- Fundraising, reports
 - Board liaison



Risk Management: Board Purview

- **Strategic planning/positioning of the alliance, ability to deliver on mission**
 - Strategic planning/discussions
 - New opportunities
 - Quarterly Board reports
 - Ad hoc discussions escalated by NEEA Executive Director and Committees/Board Members
- **Financial and funding oversight**
 - Finance and Audit Committee quarterly expenditure review
 - Annual operations plan budget
 - Annual audit oversight
 - Quarterly reports
- **Legal oversight and policy adherence**
 - Bylaw, policy and guideline review every 5-years
 - Governance Committee quarterly review of topics
 - Miratech ethic hotline



Risk Management: NEEA Staff Purview

Primary risk categories monitored by NEEA Staff and Executive Committee

- **Funder loss**
- **Regional and NEEA funder misalignment**
- **External environment risk (i.e., economic downturn)**
- **Changes in Federal and State Policies, including Regulatory, Legislative and Executive Actions**
- **NEEA energy savings and whether they are at risk of falling outside of range**
- **Natural disaster/emergency preparedness**
- **Attraction and retention of employees**
- **Product risk**
- **Vendor business or performance failure (in part or whole)**
- **Loss or Exposure of Highly Confidential or Sensitive Information due to Malicious or Inadvertent Activity**
- **Loss of Key Market Supplier**
- **Risk of Misaligned Market Transformation Approaches with Supply Chain and Other Market Influencers**



Risk Management: NEEA Staff Purview

Secondary risk categories monitored by NEEA Staff and Executive Committee

- Business systems and controls
- Employee Performance Management
- Disclosure of Highly Confidential Personnel Data
- Public relations crisis
- Inefficient Contract Management and Administration
- Significant Outage of a Major NEEA System due to System/Network Failure, Malicious Activity, SaaS Vendor Outage, or Disaster
- Potential Program Incentive Fraud
- Federal Contractor Requirements Noncompliance



Roles of Nonprofit Boards + Board Members

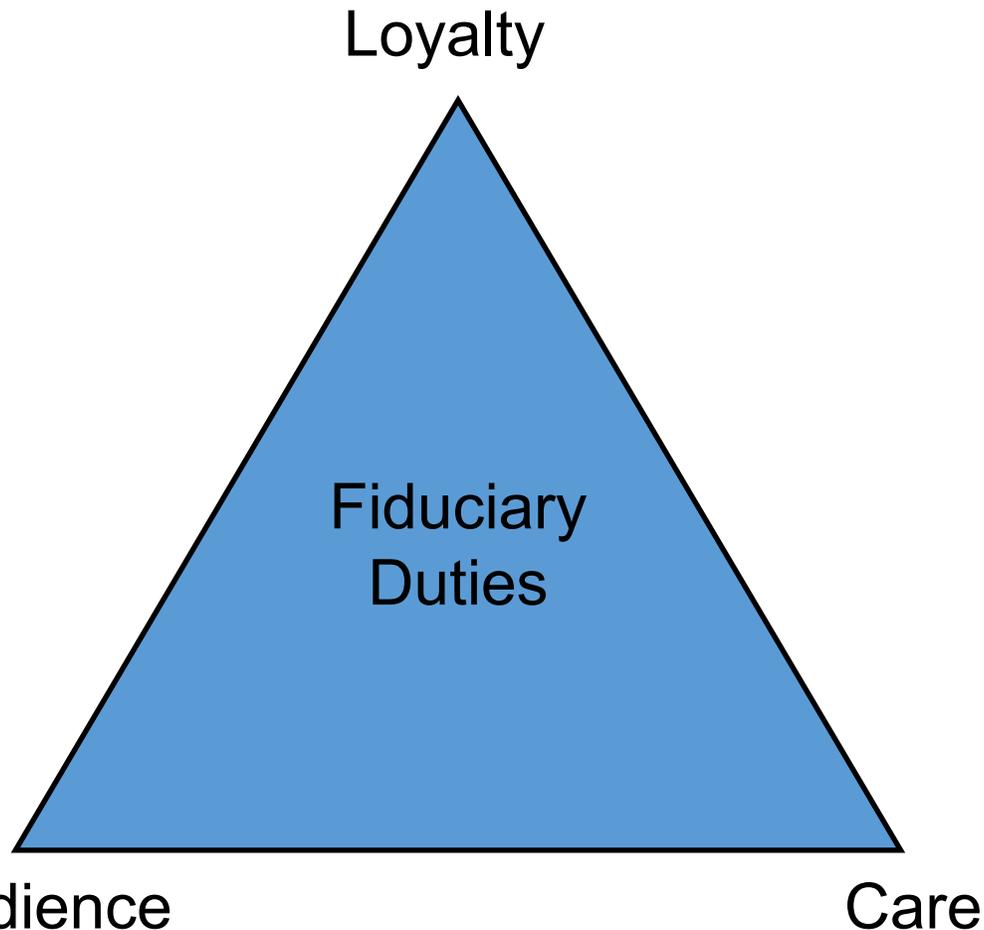
What does it mean to be a Nonprofit Board Member?

- **State Law**
- **Governance & Management**



Duties of Nonprofit Board Members

The Fiduciary Triangle



NEEA Board

- Oregon Law applies - 4 state Alliance
- Provide guidance and management, support mission and purpose
- Support Executive Director, staff in executing Strategic and Business Plans
- Day-to-day management falls to ED
- Oversee risk and advise on mitigation strategies

Fiduciary Duties + Compliance Tips

Duty of Care

- Ensure **Active Participation** in meetings, reviewing materials
- Make **Reasonable Inquiry** to make informed and independent decisions

Duty of Loyalty

- Act in **Good Faith** and in **NEEA's Best Interest**
- Avoid **Conflicts of Interest** and follow COI Policy
- Maintain **Confidentiality**

Duty of Obedience

- Follow **NEEA's Governing Documents, Bylaws and Policies**
- Further **NEEA's Mission**, and
- Ensure **NEEA funds** are used for lawful purposes



Board Member Liability Risks + Protections

- **The bad news:** Board Members can be civilly liable for gross negligence or intentional misconduct and for other limited statutory violations (i.e., NEEA's failure to pay employment taxes, "excessive benefit transactions" for "insiders" under IRC).
- **The good news:** Liability is limited by state nonprofit laws for actions made in conformity with a Board Member's fiduciary duties of Care, Loyalty, and Obedience.
- Liability is also limited for negligent corporate acts or omissions if based on reasonable business judgment, even in error, if made in "good faith".
- Members are broadly protected from risk by state statutory and contractual indemnity provisions (i.e., Bylaws).
- Members are broadly protected from risk under NEEA's D&O Insurance.

Thank you for being a NEEA Board Member! NEEA appreciates the Board's hard work and dedication!

"We're all in this together"



Common Board Questions

- When do I wear my organization versus regional hat?
- Is it OK for me to vote on initiatives if I'm a non-funding Board member?
- What do I do if I think I have a conflict of interest?
- What if the Board is pursuing something that may put my funding ability at risk?
- What is my responsibility related to securing funding?
- What is the role of Committees versus the broader Board?



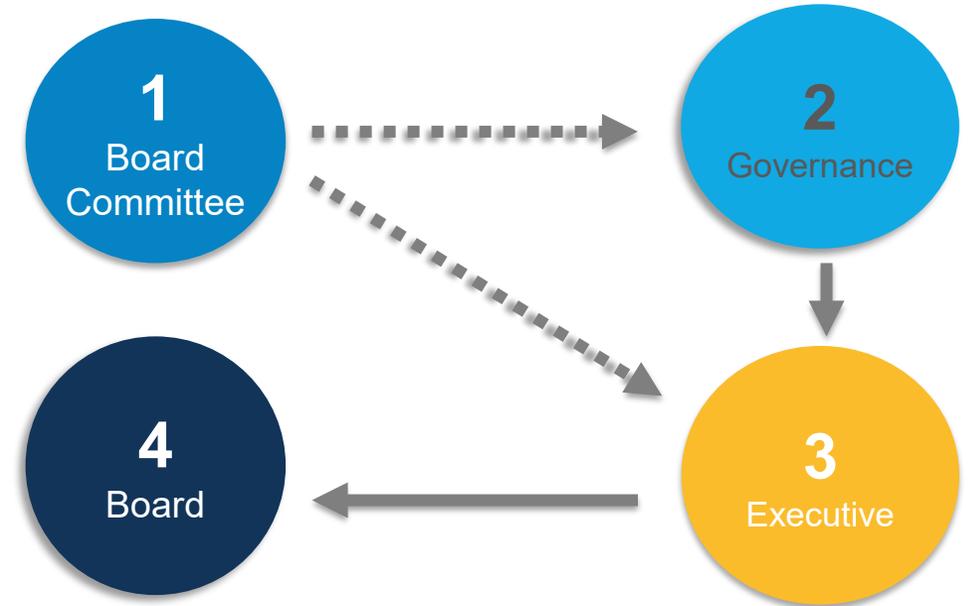
***Navigating
Decisions +
Disagreements***



Current Board Decision Making

Quality decision making means Board Members understand:

- Why the decision is being recommended
- How the decision was developed
- How the decision supports NEEA's purpose and strategic plan
- What the implications are to NEEA's work





Agreements on Board Decision Making

- 1. Board Committee Decision Authority:** Reserved for operational decisions (i.e., FAC audit firm selection), time sensitive decisions directing the ED (i.e., review and approve response to state regulatory review of NEEA savings), other duties as identified in charters
- 2. Guidance on Committee Authority for Time Sensitive Actions:** Full Board discussion required for decisions that impact significant funding or governance considerations



Structuring Board Conversations + Discussions

Board aligned on the following best practices:

- 1. Co-created Solutions:** Reserved for highest-level strategic alignment conversations that require broad shared understanding and buy-in (i.e. NEEA Purpose and Mission statements)
- 2. Board Response to proposals:** Majority of Board discussions should stem from proposals or focus areas identified by Board Committees and staff (i.e. processes, NEEA operations plan, financial reserve options)

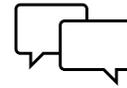


Navigating Conflict/Disagreements



Calling out is bringing public attention to disagreement or conflict

- “It sounded like you said _____. Is that what you meant?”
- “I need to push back against that. I disagree. I don’t see it that way.”
- “I need you to know how your comment just landed with me.”
- “It sounds like there are some assumptions being used that I’d like to discuss.”



Calling in is an invitation to a 1-1 or small group conversation to bring attention to disagreements or conflict

- “I’m curious. What was your intention when you said that?”
- “I would like to share how that comment just landed with me.”
- “How might someone else see this differently?”
- “Why do you think that is the case? Why do you believe that to be true?”

Note: Calling in and calling out are not mutually exclusive strategies. Depending on the situation, calling out could precede calling someone in for a follow-up conversation.



How to show up in these conversations

- Pause and reflect. Acknowledge the impact of your words and/or actions.
- Apologize for the impact.
- Commit to change/ growth for next time.
- Remember: Feedback is a gift that helps us all learn and grow. **You're not a bad person!** You're human – capable of mistakes and improvement. What's important here is being accountable for the impact of your words and behaviors.



Financials



NEEA Financial Management: Key Terms

- **FAC:** Finance and Audit Committee
- **FMP:** Financial Management Policies
- **Business Plan Budget:** 5-year cycle budget
- **Operations Plan Budget:** Annual budget
- **Financial Reserves:** Balance available in case of emergency/opportunity
- **Annual Forecast:** Updated quarterly estimate of annual expenses (compared to annual budget)
- **403b:** NEEA's retirement plan (401K for a non-profit)
- **Form 5500:** Annual report filed for NEEA's 403b
- **Form 990:** NEEA's information Federal Tax return



NEEA Financial Management: Key Principles

Principle	Approach
Balance transparency and relevance	Quarterly reporting provided to Board, including variance and trend summary. Transaction detail avail to Board by request.
Minimize surprises and maximize accuracy	Annual audits
Delegate daily management to Exec Director with guardrails	Annual review of investments, Board approval of any loans or change in banks, Review of reserve levels and usage (>\$100K requires FAC approval), internal controls and segregation of duties



Financial Risk Monitored by Staff and Board: Examples

- Loss of funder (regulatory, cause, convenience)
- Material error that impacts future budgets
- Inappropriate or ineffective use of funds
- Fraud (internal or external)
- Cyber attack
- Legal settlement costs
- Economic conditions (inflation, economic activity)



Board Member and **FAC**: Review + Oversight

Business Cycle Review (5 years)

- Approval of Business Plan Budget
- Approve FAC recommendation for Audit firm
- Review and approve recommended financial reporting package for Cycle
- **Oversee Audit firm RFP**

Annual Review

- Approve Operations Plan budget aligned with Business Plan objectives
- Financial audit and Form 990 (Informational Tax Return)
- Status of financial reserves
- **Review and advise on NEEA investment portfolio**

Quarterly Review

- Actuals vs. budget
- Revised annual forecast for core work
- **Detailed expenditures review**
- **Special project statements; contributions to financial reserves**
- **Extra-regional, other ad hoc matters**



Annual Operations Plan Review

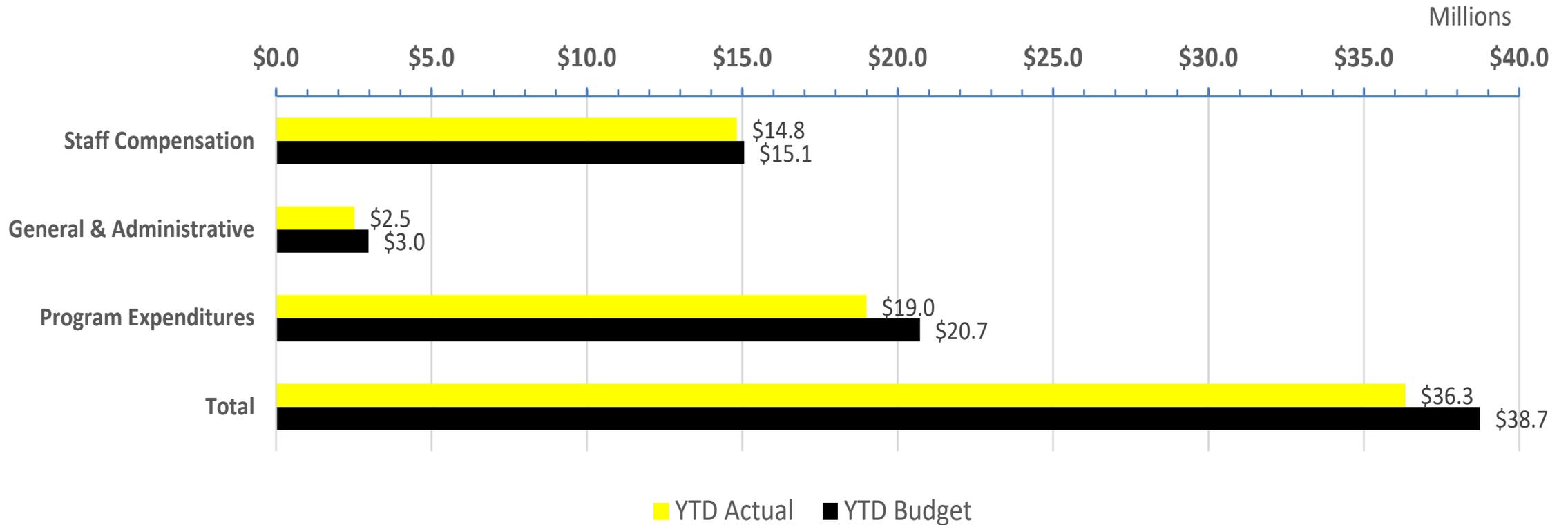
Table 1 – Comparison with 2025-2029 Business Plan by Workstream (\$ Thousands)

Workstream	Electric			Natural Gas			Non-core Funding		
	Years 1-2	5-Year Budget	% of 5 Year	Years 1-2	5-Year Budget	% of 5 Year	Years 1-2	5-Year Budget	% of 5 Year
Emerging Technology	6,254	17,733	35%	1,783	3,027	59%	1,436	0	0%
Market Strategy & Execution	32,467	91,005	36%	5,269	17,494	30%	2,905	20,132	14%
Codes & Standards	6,674	16,952	39%	538	1,283	42%	17	0	0%
Analytics, Research & Evaluation	20,075	48,552	41%	2,667	5,333	50%	2,329	1,914	122%
Convene & Collaborate	5,018	11,910	42%	21	75	28%	874	0	0%
Admin	14,449	36,789	39%	0	0	0%	117	0	0%
Allocation of Shared Services ³	-4,091	-11,141	37%	2,543	6,088	42%	1,548	5,053	31%
TOTAL	80,847	211,800	38%	12,822	33,300	39%	9,226	27,099	34%



Quarterly Financials Review – By Account

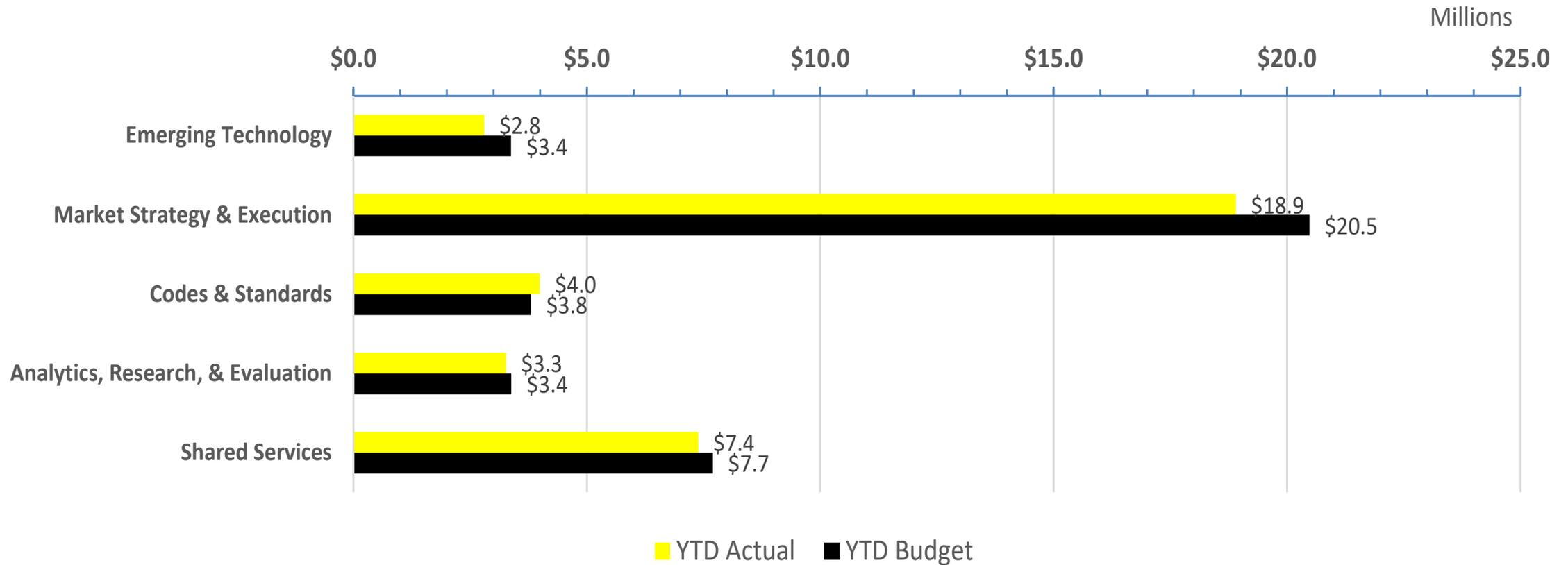
Q4 2025 YTD Electric Expenses





Quarterly Financials Review by Workstream

Q4 2025 YTD Electric Expenses by Workstream





Quarterly Financials Review Detail

Electric Variance Report by Product Group

	Year to date as of December 2025				Impact of Variance
	Actuals (\$K)	Budget (\$K)	Variance (\$K)	% Var	
Compensation and Benefits	14,823	15,053	(230)	(2%)	G
General and Administrative	2,519	2,971	(452)	(15%)	G
Emerging Technology (Direct Expense)	1,655	1,800	(145)	(8%)	
Consumer Products (Direct Expense)					
Retail Product Portfolio	2,783	3,117	(334)	(11%)	G
Total Consumer Products	2,783	3,117	(334)	(11%)	
HVAC (Direct Expense)					
Advanced Heat Pumps	787	1,350	(563)	0%	
Dual Fuel Residential HVAC	0	0	0	0%	
Ductless Heat Pumps	26	60	(34)	0%	G
High-Performance HVAC	826	1,190	(364)	(31%)	G
Market Strategy	123	126	(3)	(3%)	
Total HVAC	1,762	2,726	(965)	(35%)	
Lighting (Direct Expense)					
Luminaire Level Lighting Controls	1,491	1,280	211	17%	G
Market Strategy	177	180	(3)	(1%)	G
Total Lighting	1,669	1,460	209	14%	
Motor-Driven Systems (Direct Expense)					
Extended Motor Products (XMP)	1,438	1,540	(102)	(7%)	G
Fans	154	320	(166)	(52%)	Y
Market Strategy	0	40	(40)	(100%)	G
Total Motor-Driven Systems	1,591	1,900	(309)	(16%)	
New Construction (Direct Expense)					
Manufactured Homes	31	60	(29)	(48%)	G
Total New Construction	31	60	(29)	(48%)	
Water Heating (Direct Expense)					
Heat Pump Water Heaters	2,464	2,698	(234)	(9%)	Y
Water Heating Strategy	35	35	0	0%	G
Total Water Heating	2,499	2,733	(234)	(9%)	
Enabling Infrastructure (Direct Expense)					
Betterbricks	485	450	35	8%	G
Integrated Design Labs	497	425	72	17%	G
Total Enabling Infrastructure (Direct)	982	875	107	12%	
Codes and Standards (Direct Expense)	2,975	2,660	315	12%	G
Market Intelligence (Direct Expense)	2,945	3,099	(154)	(5%)	G
Market Research (Direct Expense)	1	0	1	0%	
Market Strategy (Direct Expense)	25	250	(225)	(90%)	G
Other Projects (Direct Expense)	76	30	46	153%	
Total Expense	36,336	38,735	(2,399)	(6%)	

Quarterly Financials Review – Balance Sheet

	Current Qtr End (Dec. 2025)	Prev. Qtr End (Sept. 2025)	Last Fiscal Year (Dec. 2024)
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 16,916,012	\$ 18,062,915	\$ 14,473,898
Accounts Receivable	71,865	9,778,653	204,764
Other Current Asset	965,473	998,306	965,171
Total Current Assets	\$ 17,953,350	\$ 28,839,873	\$ 15,643,833
Fixed Assets			
Right of Use Asset : Lloyd Lease	2,920,299	3,059,522	3,474,889
Total ASSETS	\$ 22,410,451	\$ 33,545,655	\$ 20,737,294
LIABILITIES & EQUITY			
Current Liabilities			
Advances From Funders	10,199,371	22,114,135	7,583,430
Total Current Liabilities	\$ 14,832,901	\$ 26,045,161	\$ 13,270,010
Total Long Term Liabilities	\$ 3,722,299	\$ 3,887,680	\$ 4,379,832
Net Assets			
Equity			
Without Donor Restriction	\$ 3,855,251	\$ 3,612,815	\$ 3,051,657
With Donor Restriction	-	-	35,796
Total Net Assets	\$ 3,855,251	\$ 3,612,815	\$ 3,087,452
Total LIABILITIES & EQUITY	\$ 22,410,451	\$ 33,545,655	\$ 20,737,294
Net Assets Without Donor Restriction Detail			
Property and Equipment, net of Right to Use Asset and associated Liability	734,802		
Net Reserved for End-Use Load Research	310,929		
Net Financial Reserve	2,809,520		
Total Net Assets Without Donor Restriction	3,855,251		

Advances From Funders

- Pre-paid core Electric/Gas/EULR funding
- Balance reconciled at end of each funding cycle
- Cycle 6 reconciliation – funder choices
 - ✓ Cycle 6 credit upfront (12)
 - ✓ Repayment (2)

Net Assets w/o Donor Restriction

- Comprised of Property, Plant & Equipment (PPE), Prepaid NREL EULR Funding, and Financial Reserve
- Financial Reserve includes donations, interest, royalties, net proceeds from work done outside of Business plan, and Core Operational financial efficiencies (up to 2% of BP)



Special Projects Review

Special Funds Projects
Year-to-Date Through December 2025

INTERNAL USE ONLY : CONFIDENTIAL

Project Name	Income	Expenses					Current Year	Project to Date
		Salary & Benefits	Other G & A	Admin Allocation (1)	Project Costs	Total Expenses	Surplus / (Deficit)	Surplus / (Deficit)
Special Projects in Cycle 7 Business Plan								
End Use Load Research	\$ 1,021,810	\$ 243,564	\$ 31,308	\$ 86,000	\$ 870,938	\$ 1,231,810	\$ (210,000)	310,929
End Usle Load Flex	1,863,550	613,783	44,134	389,000	816,634	\$ 1,863,551	-	-
Whole Building	918,700	374,379	14,119	218,000	312,202	918,700	-	-
Sub-total Business Plan Projects	\$ 3,804,060	\$ 1,231,726	\$ 89,561	\$ 693,000	\$ 1,999,774	\$ 4,014,061	\$ (210,000)	\$ 310,929
Other Special Projects								
Project 1								
Project 2								
Project 3								
Project 4								
Sub-Total Other Special Projects	-	-	-	-	-	-	-	-
Total Special Projects	3,804,060	1,231,726	89,561	693,000	1,999,774	4,014,061	(210,000)	310,929

(1) Includes Executive Office, Business Administration, HR, Finance, Contracts/Legal, IT, Stakeholder Relations and Corporate Communications



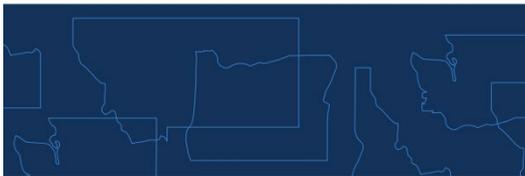
Business Processes



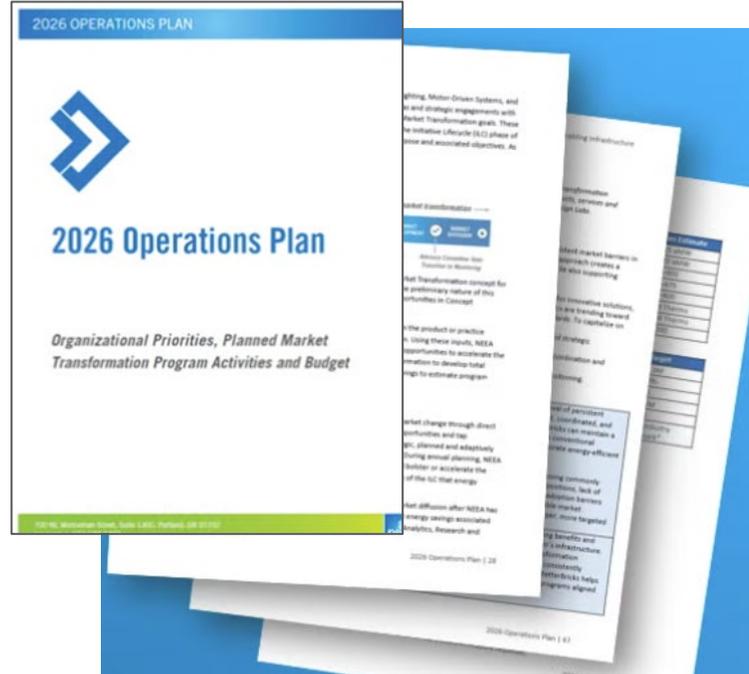
Processes to Support Regional Coordination



CYCLE 7 (2025–2029)
STRATEGIC & BUSINESS PLANS



**Five-year
Strategic +
Business Plans**



**Annual Operations
Plans**



**Committee Process,
RPAC+**



Board Reports + Updates

Quarterly: Financial Reports, Progress Reports, Newsletters, Executive Director Updates

Annually: Performance Scorecard, Annual Report

NEEA QUARTERLY REPORT
Q1 2025 // Performance Highlights

A Note from the Executive Director

The alliance's new business plan is off to a strong start in this first quarter of the new 2025 - 2029 business cycle, making progress toward our mission to catalyze the most efficient use of energy for a thriving Northwest. Here are a few examples of how NEEA is transforming markets for energy efficiency in the first quarter of the year:

- The Retail Product Portfolio program expanded significantly in Q1, to include two critical new product categories - heat pump water heaters and televisions - as well as by adding a major national retailer, Costco, to the program. With this expansion, the program has engaged 5 out of the 7 major national retailers, representing 31% of U.S. households. This scale enables NEEA to encourage more stores to increase the availability of efficient products in the Northwest, and more manufacturers to invest in efficiency.
- As part of its regional End-Use Load Flexibility work, NEEA partnered with Portland State University to develop a first-of-its-kind technology flexibility scoring tool. This tool, built on public data and NEEA's regional studies, evaluates more than 80 technologies based on peak reduction potential, grid reliability benefits, contribution to reduced outages and other grid benefits. The tool will provide NEEA with insights into current and future product portfolio opportunities.
- The Extended Motor Products (XMP) Pumps program recently added two new manufacturer's representatives who are active in conducting outreach and training to increase awareness of smart pumps across the region and particularly in Idaho and Montana. These representatives sell products that represent new areas of efficiency opportunities for NEEA, including irrigation equipment and circulators. The addition of these partners will also improve NEEA's ability to collect data and report energy savings from across the region.
- Lastly, the region gathered May 10-21 for the annual Efficiency Exchange conference, with nearly 600 energy efficiency professionals joining site tours, networking and information-sharing sessions designed to further our collective efficiency efforts.

Moving forward, it is clear that energy efficiency continues to play a crucial role in supporting a resilient energy system in the Northwest. In its 2025 Northwest Regional Forecast, the Pacific Northwest Utility Conference Committee referenced NEEA's work as a significant contributor to regional savings, underscoring the necessity for regional collaboration as the demand for energy is predicted to rise in the next ten years. More highlights from NEEA's work are available in quarterly newsletters linked below. Please reach out to NEEA staff directly with questions.

Becca Yates
Becca Yates, Executive Director

ADDITIONAL RESOURCES:
[> Codes + Standards Newsletter](#)
[> Emerging Technology Newsletter](#)

Market Transformation Metrics

	Business Plan Estimate	Current Forecast	Status
Electric Portfolio Energy Savings			
5-year (2025-2029) Co-Created Energy Savings (aMW)	190-225	190-225 ¹	On Track
Natural Gas Portfolio Energy Savings			
5-year (2025-2029) Co-Created Energy Savings (MM Therms)	0-17	0-17	On Track

Legend: ■ Within 5% of target ■ Within 5-10% of target ■ More than 10% from target

Operational Metrics

	Actual	Forecast	Budget / Target	Status
Electric Portfolio				
YTD Investment (\$M)	\$8.6	N/A	\$9.0	On Track
Full Year Investment (\$M)	N/A	\$38.7	\$38.7	On Track
Natural Gas Portfolio Energy Savings				
YTD Investment (\$M)	\$1.3	N/A	\$1.4	On Track
Full Year Investment (\$M)	N/A	\$5.7	\$5.0	On Track
Administrative Budget				
Administrative Expenses (%)	17.6	N/A	<18.0	On Track
Employee Retention				
Quarterly Turnover (%)	0.9	N/A	<3.0	On Track

Legend: ■ Within 5% of target ■ Within 5-10% of target ■ More than 10% below target

NEEA's natural gas actuals through Q1 were \$1.3M, or 8% below budget. This variance is in line with the forecast as NEEA is hiring a Product Manager to support the expanding portfolio. NEEA expects to finish the year close to budget.

Energy savings that the region and local programs achieve by working together. All energy savings calculated above the pre-intervention market starting point. Percent of total budget dedicated to business administration and executive cost centers.

NEEA Quarterly Performance Report | Q1 2025 | 5

Newsletter / November 3, 2025
Q3 2025: Codes, Standards + New Construction

Highlights

BUILDING A BETTER FUTURE: NEEA'S CODES AND STANDARDS HIGHLIGHTS

This quarter, the Northwest Energy Efficiency Alliance (NEEA) staff continued to champion the role of building codes and standards in helping to make homes and appliances more affordable for consumers. Montana and Idaho stakeholders were active this quarter as they considered moving to 2024 International Energy Code (IECC). Both states' agencies have requested comments on this decision, and code collaboratives facilitated by NEEA staff have developed comments in response. There seems to be broad support for adopting IECC 2024, potentially with fewer amendments than in the past. Washington state's code was delayed until 2026, and Oregon remains on track to complete its residential code in 2025.

At the federal level, the U.S. Department of Energy (U.S. DOE) requested feedback on the manufactured home standard approved in 2023. NEEA staff and other stakeholders are preparing comments to encourage DOE to implement this standard as soon as possible because it provides significant measurable consumer value.

New construction training continued throughout the summer. NEEA also kicked off a project with the Regional Technical Forum to support an update to the New Homes Standard Protocol that will bring it up to date with the latest code changes and explore ways to include prescriptive elements.

Newsletter / November 19
Q4 2025: Emerging Technology

Highlights

The Q4 2025 Emerging Technology Newsletter showcases a range of impactful work led by the emerging technology and product management team at NEEA. Some key activities include:

- A new initiative to develop and influence refrigerator test procedures that will more accurately capture energy savings from emerging features like advanced inverter compressors and adaptive controls.
- Starting research on dual-fuel residential water heating that includes fully integrated operation between gas and electric heating sources to provide maximum flexibility in efficiency, performance, reliability and grid-enabled benefits.
- Finalizing Luminaire Level Lighting Controls (LLC) integration with

Newsletter / December 15, 2025
Q4 2025: Market Research + Evaluation

Introduction

Greetings readers,

After serving as a NEEA Market Research & Evaluation (MRE) Scientist for the past six years, I am thrilled to share that I have moved into a new role as the Manager of our fantastic MRE team.

The MRE team is wrapping up a number of market research, evaluation, and baseline/assumption reviews in late 2025 and early 2026. This includes two market research studies conducted for NEEA's Commercial HVAC product group - Energy Recovery Ventilator/Heat Recovery Ventilator (ERV/HRV) Ownership and Maintenance Market Research and Gas High Efficiency Dedicated Outdoor Air System (DOAS) Specifier Market Research. Our Retail Product Portfolio (RPP) program will publish its three Market Progress Evaluation Report (MPER) along with a High-Performance Clothes Dryers Naturally Occurring Baseline & Key Assumptions Review. In support of NEEA's Codes team, we have published the most recent Oregon Residential Code Compliance Evaluation, and a Codes Baseline and Assumption Review. Finally, be on the lookout for the eighth Heat Pump Water Heater (HPWH) MPER and a Key Assumption Review for NEEA's Luminaire Level Lighting Control (LLC) program in early 2026.

Wishing you a happy and healthy new year!

- Meghan Bean, Manager, Market Research & Evaluation



Special Projects Process



**NSOA guidelines and criteria included in Board Manual*



Portfolio Management at NEEA

Purpose

- Guide decision making of the portfolios to optimize to business plan goals for both current and long-term needs
- Optimize regional outcomes of market transformation across multiple portfolios and value streams

Who is involved

- Led by Portfolio Management Office, supported by cross-functional management team
- Regular input from Regional Portfolio Advisory Committee and Natural Gas Advisory Committee



What is an optimized portfolio?



Portfolio health

- Indicators of success
- Awareness and ability to address risks
 - Risk profile: Market, technology, ramp rate, measurability, benefit/cost assessment



Portfolio balance

- Distribution of energy savings potential across dimensions of:
 - the region by state
 - the phases of lifecycle development (program maturity)
 - the time horizon of investment and efficiency results (savings on a 5, 10, 20-year horizon)
 - Contribution to peak savings

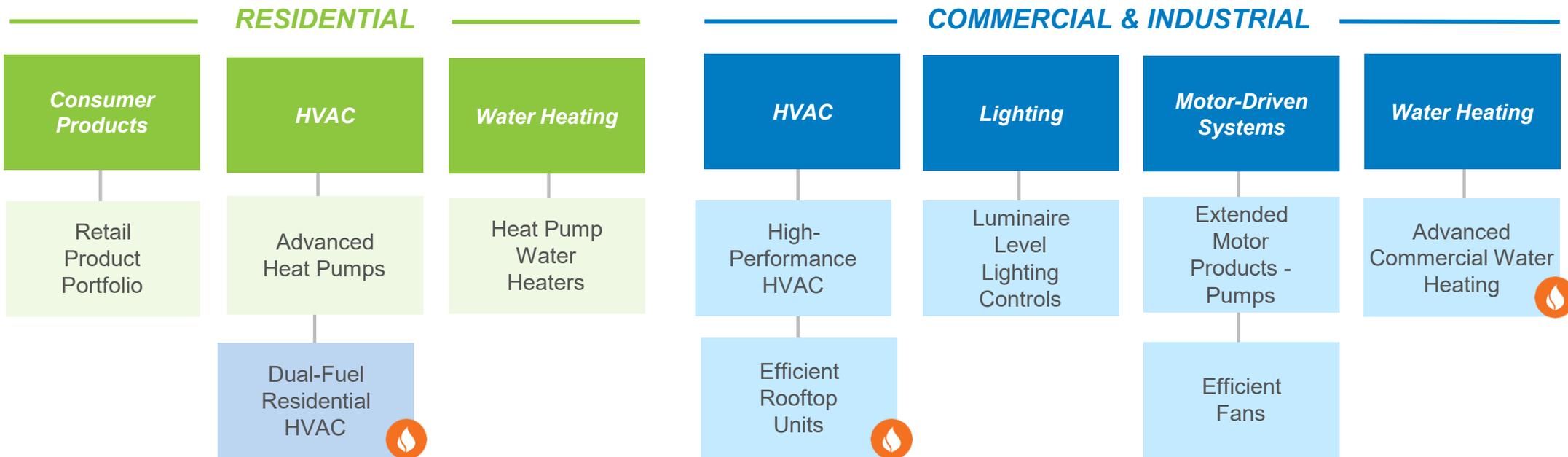


Initiative Lifecycle





NEEA's Market Transformation Portfolio

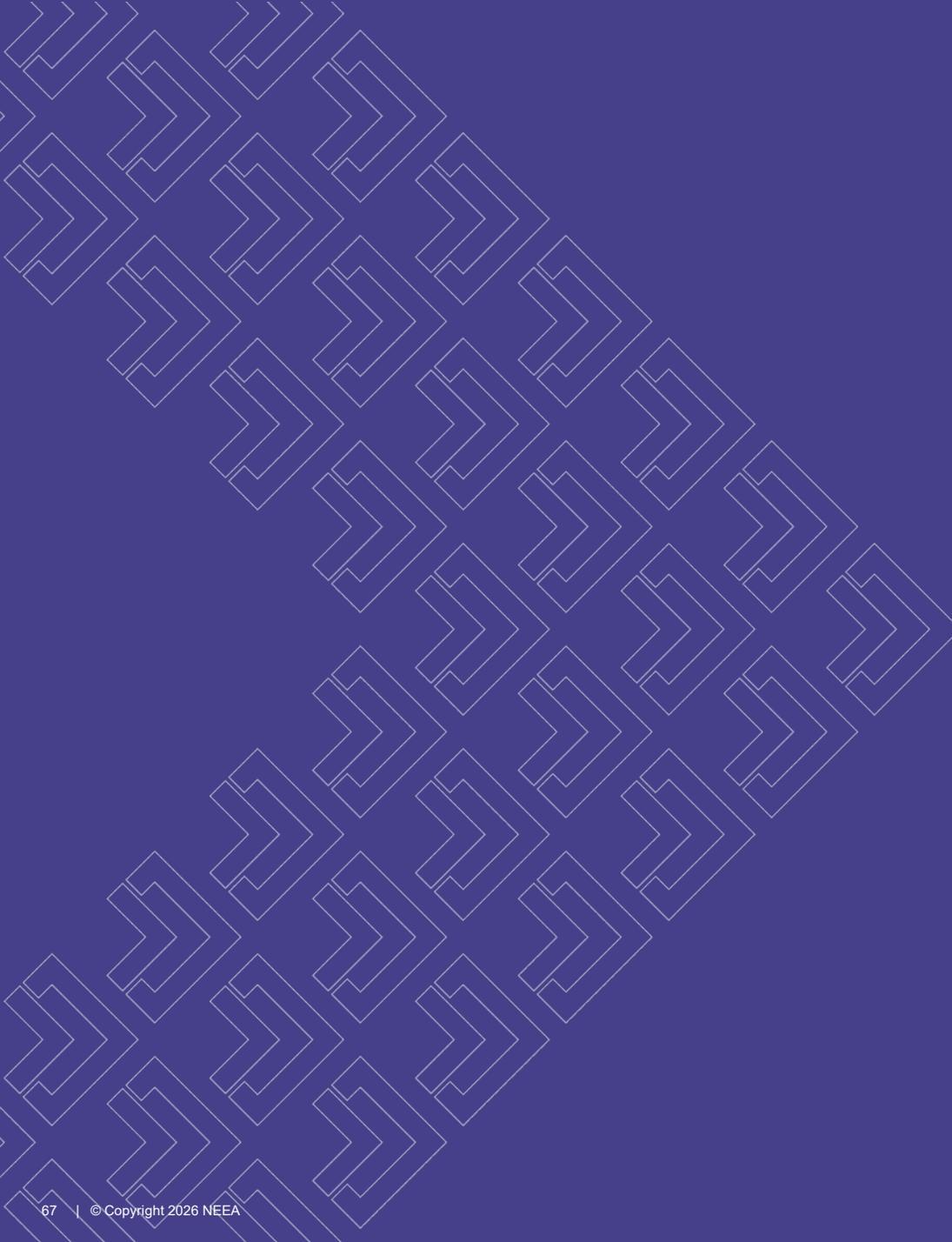


ENABLING INFRASTRUCTURE

Integrated Design Labs BetterBricks

MARKET DIFFUSION:
Ductless Heat Pumps | Manufactured Homes | Strategic Energy Management

CODES + STATE/FEDERAL STANDARDS



Questions, Comments + Wrap-up



What Board Members Hope to Learn

- List topics and check on coverage

Thank You!

