LETTER TO THE REGION

We are so pleased to share NEEA’s 2018 Annual Report, which details regional accomplishments, lessons learned, relationships developed and barriers addressed over the past year. In 2018, the alliance continued to accelerate the adoption of energy efficiency in the region on behalf of all Northwest customers. Working together, we:

- Reached a breakthrough in the commercial HVAC market after more than a decade of searching for an innovative approach to reducing commercial building energy use in the Northwest.
- Achieved important progress toward influencing widespread commercial building efficiency through collaborative program alignment and code enhancement efforts.
- Developed innovative solutions to inform lighting program design using region-wide collaborative relationships and rich, timely data.
- Advanced a long-term market transformation effort for gas heat pump technology in the Northwest to realize substantial gas-savings potential.

While we embrace the opportunity to look back and assess the region’s shared successes and challenges, we are also keeping a keen eye on the future.

2018 culminated in the adoption of NEEA’s Cycle 6 (2020-2024) Business Plan, which was developed in collaboration with funders and stakeholders from across the region. The Business Plan outlines NEEA’s comprehensive five-year strategy to help the Northwest stay ahead in a rapidly changing energy efficiency landscape.

As we look back to 2018, we note many market shifts and changes throughout the Northwest — some we anticipated and some we did not. Looking ahead to 2020 and beyond, there will be many more shifts to come, but one thing will remain the same: the alliance’s continued commitment to work together to enhance the region’s flexibility and adaptability in the face of change, all to maximize value for Northwest utilities and their customers.

Visit neea.org/annualreport for the complete report.
2018 HIGHLIGHTS AND RESULTS

2018 SUCCESS STORY HIGHLIGHTS

Transforming Markets: The alliance's Reduced Wattage Lamp Replacement program ended in 2018, but the program assets – including a suite of valuable distributor relationships, data collection mechanisms and best practices – will continue to support a wide variety of alliance and local utility programs.

Accelerating Natural Gas Efficiency: 2018 brought big strides in the alliance’s efforts to support the market in developing, adopting and calibrating the first natural gas heat pump water heater.

Filling the Region's Energy Efficiency Pipeline: In 2018, the alliance worked with the market to introduce an innovative HVAC systems approach that promises to dramatically reduce whole-building electric energy use across the Northwest.

Turning data into actionable insights: In 2018 the alliance created a user-friendly lighting data dashboard - presenting granular, timely pricing and sales data to support utility program planning and cost-effectiveness.

PORTFOLIO HIGHLIGHTS

46 aMW Co-Created electric energy savings achieved by the region working together in 2018.

50% Demonstrated whole-building electric energy savings from innovative VHE DOAS HVAC approach based on pilot results.

100M+ Therms Estimated savings potential from gas heat pump water heater adoption in the Northwest.

264 New market transformation programs added to the electric portfolio – High Performance HVAC and Extended Motor Products.

52% Low-wattage fluorescent bulb market share among participating Reduced Wattage Lamp Replacement distributors, up from 13% in 2015.

2 Retail branches and 14 distributors participating in region-wide data-driven market transformation efforts.
2018 ELECTRIC ENERGY SAVINGS

CO-CREATED ENERGY SAVINGS (aMW)

- 16.5 aMW Current Investments (36%)
- 29.5 aMW Previous Investments (64%)
- Target = 35 aMW

CO-CREATED ENERGY SAVINGS BY SECTOR (ALL INVESTMENTS)

- 23 aMW Codes and Standards (not associated with a voluntary program)
- 13 aMW Residential
- 3 aMW Commercial
- 7 aMW Industrial and Agriculture

PROGRESS TO FIVE-YEAR GOALS (2015-2019)

- All Investments

PROGRESS TO TEN-YEAR GOALS (2015-2024)

- All Investments

20-YEAR LEVELIZED COST

Current Portfolio: 2.8 cents/kWh

ADDITIONAL 2018 VALUE DELIVERY

Regional Peak Demand Savings: 90 MW (winter)
Avoided CO₂ Emissions: 212,168 tons/year

Thank you to our funders and other stakeholders who volunteer their time, talent and resources toward making energy efficiency a cornerstone of a vibrant and sustainable Northwest.
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