



2020 ANNUAL REPORT

LETTER TO THE REGION

2020 marked a year of change that profoundly impacted the industry and energy efficiency in the region. Yet through this challenging and difficult year, the alliance remained committed to its purpose: to pool resources and share risks to transform the market for energy efficiency to the benefit of consumers in the Northwest. Working together in 2020, the alliance:

- Worked with water heating manufacturers to introduce the first Tier 4 water heater to the market—the highest level of efficiency currently available—using the alliance’s Advanced Water Heating Specification (AWHS). The Environmental Protection Agency has now updated its Residential Water Heaters Specification Version 4.0 to align closely with the AWHS as part of the Federal administration’s 2021 energy efficiency initiatives.
- Expanded alliance portfolio diversity, readying new concepts for Market Transformation including variable speed heat pumps and efficient fans.
- Completed the fourth Commercial Building Stock Assessment, a regional study that seeks to understand drivers of energy consumption by compiling data from more than 900 commercial buildings in the Northwest.
- Created a critical mass of support for the first North American gas heat pump water heater demonstration project and helped grow the North American Gas Heat Pump Collaborative to over a dozen gas utilities in Canada and the U.S. These combined efforts help the alliance to generate the market power needed to fast-track the development and adoption of efficient natural gas technologies.

- Increased alliance scale and influence on consumer products market by adding two new Illinois utilities to the ENERGY STAR® Retail Products Portfolio (ESRPP) program. ESRPP partners now represent 16% of the U.S. market.
- Advanced the Ductless Heat Pump program to long term monitoring and tracking. The program has laid the foundation for continued Market Transformation work in the residential HVAC market. The alliance will continue to leverage the infrastructure and lessons learned from the program to support launching its new Variable Speed Heat Pump initiative.

As a regional organization focused on long-term goals, the alliance remained well positioned to buffer against short-term market disruption—a testament to the resilience of Market Transformation. In times of uncertainty, energy efficiency remains a stabilizing force.

The alliance’s continued commitment to work together has made all of these accomplishments possible.

With gratitude for the alliance,



Susan E. Stratton
Executive Director
NEEA



Cory Scott
NEEA Board Chair
Pacific Power



Energy efficiency is a key pillar in Washington’s plan for a cleaner energy future. Not only does energy efficiency save money, it ensures a robust, resilient, and equitable energy system. Thank you to the Northwest Energy Efficiency Alliance for serving as a guiding force for the region and helping to provide affordable energy-efficient products, services, and practices to the Northwest and beyond.

Jay Inslee, Governor of Washington



For the complete report, visit nea.org/annualreport.

2020 FEATURED SUCCESS STORIES

Innovation, Adaptation, Resilience

Honed over 25 years, the alliance's Market Transformation strategy is built to remain viable and flexible, even under the most extraordinary circumstances. The following 2020 success stories are just three of many examples of the ways in which the alliance adapted to the effects of the COVID-19 pandemic to keep Market Transformation efforts rolling across the region.



Flexible Strength in the Face of Uncertainty

Despite the pandemic's overwhelming impact on the retail world, the **ENERGY STAR® Retail Products Platform's** (ESRPP) strong partnerships and inherent flexibility helped the program grow stronger in 2020. In addition to accessing incredibly timely online sales data for the first time, ESRPP welcomed two new utility partners to the national, giving the Northwest increased scale and influence on consumer products market.



A Dual-Fuel Approach to Market Transformation

Recognized as a national leader in water-heating Market Transformation, the alliance has blazed the trail for any utility looking to use **efficient water heaters** to achieve energy efficiency or carbon reduction goals. And now, building on the relationships and lessons learned at the forefront of electric hybrid technology, the alliance is opening the door for gas heat pump water heaters to enter the market with considerable momentum.



Setting a Market Transformation Standard

For more than fifteen years, the **Ductless Heat Pump (DHP) program** has proven the flexibility and staying power of the alliance's Market Transformation efforts. Thanks to an adaptive, explorative and collaborative effort, DHPs are expected to have a lasting foothold in the Northwest, with an opportunity to serve a wide variety of customers, including low-income and manufactured homes.

25 Years of Market Transformation

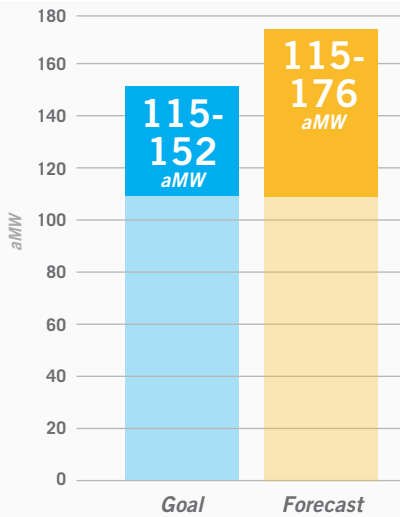


NEEA was founded in 1997 on a new and promising notion—that by working together to identify and remove market barriers throughout the supply chain, the region could achieve permanent gains in energy efficiency. Twenty-five years later, Market Transformation is recognized across the country as a powerful tool for delivering energy efficiency and the alliance as its most experienced purveyors. To learn more, visit: neea.org/25years.

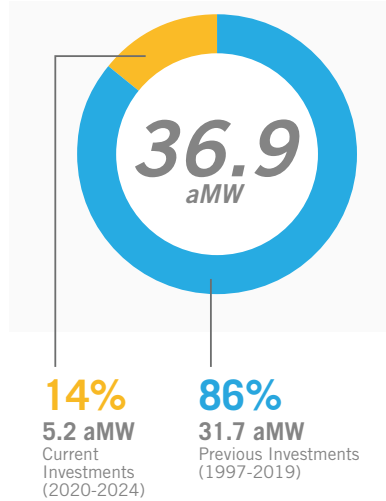
2020 BY THE NUMBERS

2020 CO-CREATED¹ ELECTRIC ENERGY SAVINGS

Progress to Five-Year Goals (2020-2024) All Investments



Co-Created Energy Savings (2020)



Avoided CO₂ Emissions

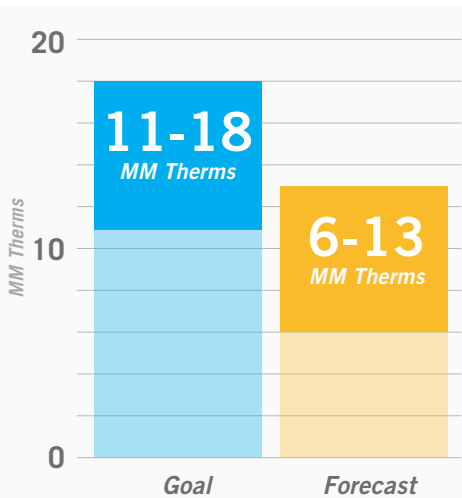
214,000
tons

20-year Benefit-Cost Ratio

2.1

2020 TOTAL REGIONAL² NATURAL GAS SAVINGS

Progress to Five-Year Goals (2020-2024) All Investments



Total Regional Savings (2020)*

0.066
MM Therms

Avoided CO₂ Emissions

3,800
tons

*The alliance's natural gas portfolio is still in early development and several potential savings streams are not yet accounted for.

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.

¹ All energy savings above baseline that occur in the market due to the combined efforts of utilities, the alliance and other actors.

² All savings calculated above the pre-intervention market starting point due to the combined efforts of NEEA and its partners.

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