



Q1 Product Coordinating Committee (PCC)

March 21, 2024

12:30 – 4:00 p.m.

Virtual Meeting

Meeting Attendees

Committee Members:

David Murphy (Bonneville Power Administration), Trevor Frick (Clark County PUD), Tyler Boehringer (Emerald PUD), Carolyn Beebe (Snohomish PUD), Christian Douglass (Northwest Power & Conservation Council), Todd Greenwell (Idaho Power), Brandon Gee (Emerald PUD), Lars Henrickson (Seattle City Lights), Lis Saunders (Tacoma Power), Josh Mitchell (Chelan County PUD), Michele Drake (Avista), ShaToya Parker (Bonneville Power Administration), Whitney Jurenic (Northwestern Energy), William Dixon (Puget Sound Energy), Chad Ihrig (Guest), Mark Percy (Tacoma Power)

NEEA Staff: Anouksha Gardner, Alisyn Maggiora, Alexa Hujik, Emily Rosenbloom, Britt Cutsforth Dawkins, Stephanie Quinn, Tamara Anderson, Anne Brink, Jack Davidson

Resources

- Agenda Packet: [Northwest Energy Efficiency Alliance \(NEEA\) | Q1 2024 PCC Agenda...](#)
- Slide Deck: [Northwest Energy Efficiency Alliance \(NEEA\) | Q1 2024 PCC Meeting...](#)
- Recording: <https://vimeo.com/927694953>

Welcome

1. Meeting Packet Highlights
2. Collective Role – Working Together – Please come prepared to participate!
3. Welcome to New Members! See. Slide 7

Introductions and Regional Roundtable

Carolyn Beebe – Snohomish PUD

- No program updates. Moving all energy programs into IEnergy (software system) so we are trying not make any big changes while moving software.

Brandon Gee – Emerald PUD

- Been with Emerald for 25 years and Energy Services for 7 years.
- Tyler will provide the update for Emerald PUD

Christian Douglass – NWPCC

- Only in this role since December but was in the Regional Tech Forum before that.
- Starting to prep for the next phase of power plans; so stay tuned for additional updates forthcoming.

Michele Drake – Avista

- We are currently in a holding period. There were a lot of changes happening over last year.
- Midstream and Lighting are both still performing well.

Todd Greenwell – Idaho Power

- Going on 13 years in the residential portfolio.
- Involved in state energy code work.
- Doing a lot with inflation reduction act (IRA) in Idaho and how to leverage IRA dollars.
- Its going to be a complex year. A lot of voices talking about decarbonization and electrification, but we are still waiting for some parallel agreements or unification on messaging.

Lars Henrickson – Seattle City Light

- 16 years at SCL
- Discussions on low voltage thermostats but haven't figured out a way to do that yet. That's the only new measure, but forward looking.
- We're looking at the standing up a whole home program, something that goes beyond just rebates, something that will tie in with the IRA funding, so supporting our customers and getting I energy audits, you know, can investment grade energy audits.
- We've got people on it at city light who are working on electrification and following the IRA rebates and what's going to be available there and also at the state standing up in the way of a green bank. We want to have our customers ready to take advantage of that as well. So that's a big project. I'm not leading it, but participating in the design there.
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ShaToya Parker – BPA

- New IM that will be released April 1st
- In addition to that, for our customer product side, for our greener heat, greener and HPW, I'm probably butchering everything, but we have a new ad campaign for our heat pump water heater that's coming out.
- It's out now and it will be ending before you all start needed your eyes summer campaign, so those are the two updates I have and that's it really.

Trevor Frick – Clark PUD

- Been at Clark for 5 years and in this role for 1 year.
- Zeech VanHoose is now the compliance manager, so we are now hiring for her previous position (Industrial Key Accounts).
- Rate increase went into effect on March 1st. 1st increase in the last 12 years. Not a uniform increase around all areas, but the average was 14% based on kWh and wattage tons. Primarily driven by bigger peaks and need to go out to open market to meet that demand.
- Communication between consumers and account managers has been as a high because of this.
- New EV Managed Charging Program – first toe into the demand response world. We don't have advanced meters, so our options are limited. But because of the EVs popping up around the county, this is a way for us to get our feet wet with only 800 customers and partnering with OptiWatt. **Please reach out to Matt Babbitts if anyone wants more information on this program: mbabbitts@clarkpud.com**
- Very excited about the BPA announcement that Ductless Heat Pump is now a UES Measure.
 - o BPA has also created a low-income version, which we weren't expecting. So that was really good news and will help us with community action and organization. Especially Vancouver Housing Authority.
- Internal discussions about the State funding that's proceeding the federal funding once the IRA programs are locked (coming out later this year). Washington State announced they were going to release a lot of grants for public utilities, non-profits, tribes, etc. which would make this overlap with the IRA program, so we are trying to figure out how best to navigate since its coming quickly without cohesion.

Dave Murphy – BPA

- BPA for 13 years. No real updates from him.
- We received a briefing before the meeting that we shouldn't be too specific about our new measures coming up, but since Trevor talked about it, I am also excited that its happening and hope there is a lot of change.

Tyler B – Emerald PUD

- 22k customers, mostly rural.
- Over the last two years our power resources team has pulled our energy efficiency team to work together and increase our incentives based on our willingness to pay. We tried to look at how much energy is being saved vs. time of day and how that could impact our savings in the future during winter and summer peaks.
- Partnering with local hardware stores to lower costs at the retail level for HPWH (Jerry's Hardware).
- Partnered with NEEA on doing what we can to mitigate the power prices we have seen over the past few years.
 - o In a follow up question from Christian (NWPCC) about whether utilities are considering demand charges for residential customers, Tyler noted that their engineers have been pushing for it for a long time; with a recent rate increase, time of use is likely the next focus. He also noted that a previous tiered rate pilot didn't go so well, and Emerald is hesitant to implement another as a result. Christian mentioned an ACEEE Summer Study paper he submitted on this topic and agreed to share with PCC members.
 - o **ACTION:** Anouksha to send out ACEEE Summer Paper from Christian with final notes.

Josh Mitchell – Chelan

- Similar to others – keeping up with CETA and IRA FUNDING

Lis Saunders – Tacoma Power

- 7 years at TP
- Annual Trade Ally meeting yesterday, went well. Updated on our programs
- Re-introduced our zero interest loan for some programs and we have been able to increase grants on our deferred loan programs.
- We've been able to add insulation as a full grant for income qualified customers
- The job announcement for our Customer Energy Program Manager is out, so if anybody's interested Tacoma Power is a great place to work and I get to work with you, so take a look, apply it's open till the end of the month and it's a great team of people and we do great stuff.

Whitney J – NorthWestern Energy

- Going through program design work in prep for July 1 program year start, getting new avoided costs
- Wading through end-use study data that became available on Friday

Will Dixon – PSE

- Taking over for Patrick to represent PSE at this committee. Currently serve as supervisor for single family and direct to consumer.
- Trying to continue to integrate Demand Response (DR) into our work
- We have a new VP, Aaron August - vision for customer energy management team and other teams to increase customer focus

Emily R – NEEA

- Programs response to the latest HPWH MPER #7 has been posted at the end of the research document.
- Change in the implementation contractor and we have consolidated the scope under Evergreen Consulting.
- At the Hot Water Forum this past week, NEEA staff that attended said there was an increase in alignment on the primary activities for HPWH.
- Rolling out an initiative to support manufacturers innovating to solve for space restrained installations: <https://hotwatersolutionsnw.org/partners/hot-water-innovation-prize>
- **ACTION:** Program Leads for HPWH focus group in your org reach out to Emily R by April 15.

Tamara Anderson – NEEA

- Last year, NEEA worked on a study with Ducker Carlisle to understand the number of High-Performance Windows sold in 2022, as well as the segmentation of windows sold as defined by the new ENERGY STAR v7 specification for prescriptive path (U-Factor 0.22 or less) and for equivalent energy performance tradeoffs with higher U-Factors (up to 0.26) and lower Solar Heat Gain Coefficients (down to 0.17). This study will be published soon on neea.org.
- We're working on an ENERGY STAR v7 Influence Study Limited RFP. The purpose of this study is to document if and how NEEA staff members and Partnership For Advanced Windows (PAWS) members may have influenced the new ENERGY STAR Version 7.0 rating through their involvement in PAWS, in order to document these findings for the program.
- The [Lennar Case Study](#) is now finished and posted on BetterBuiltNW. The Ridgefield project is building gas-heated homes, and triple-pane windows allowed them to not only meet, but exceed energy codes in Washington state. The case study also confirmed that the triple-pane product is as readily available as any standard double-pane window on the market. The case study confirmed that installing the triple-pane windows were "essentially the same experience" as installing any other window.

Here's a list of other case studies from the High-Performance Windows Builder Project last year:

- [Habitat For Humanity's Case Study](#)
- [Grand Ronde Case Study](#)
- [Video: Triple-Pane Windows Bring Comfort to the Heart of a Tribal Community](#)
- [Video: Tribes' Net Zero Homes Built to Maximize Efficiency and Optimize Comfort](#)

Anne Brink – NEEA

- Televisions, as you may know, there is a new test procedure that NEEA was integral in getting passed. There were also a host of manufacturers that stated they would be using these new procedures on their new builds. We have been getting data on that and so far we have 86 models qualifying for Energy Star v.9.
- A new sponsor joined the national ESRPP – Dominion Virginia – a large participant and brought the overall coverage to US households to 24%.
- There was a survey of all sponsors in January and people are happy with the program. As we get more sponsors this will continue to build influence.
- Data is in for the all-in-one washer/dryer combo units. Last year the combo units were outsold over and above the heat pump Dryers combined. Around 3900 came through in 6 months.
- New Data Analyst on RPP team, Eugene Pham Gibbons coming from Nike.

Stephanie Quinn – NEEA

- Sharing program updates for Suzi, who is currently running around Spain.
- There is a memo in the packet on pg. 7 with more information.

Regional Priority Topic – Heat Pump Water Heater Customer Messaging to Support Consider Marketing Campaign

Desired Outcome: PCC member to understand campaign targeting and how they can complement/support the campaign locally to maximize campaign impact.

Summary:

Emily Rosenbloom provided an overview of the proposed HPWH campaign, which was presented to the Regional Portfolio Advisory Committee (RPAC) on February 5. While the RPAC is responsible for the final decision on execution of NEEA marketing campaigns, members of this committee were apprised for awareness purposes, particularly since many members are more closely focused on program implementation work. The presentation covered timing for the campaign and the RPAC process, relationship to past HPWH marketing campaigns, targeting, user experience, and the market engagement plan. For additional detail on context and what was presented, please see the packet p.4.

Discussion / Collaboration Brainstorm:

- *What has worked in the past to move your customers to conversion?*
- *What marketing are you currently implementing or have planned?*
- *Are you developing a fixed price promotion or limited time offer?*
- *Is there something NEEA can do to further support your organization reaching customers?*

Lars (SCL): One thing SCL discovered is that in Q4 of 2023, when NEEA raised the incentive to the point where the HPWH price was comparable to the resistance, they sold much better. If the math is too complicated people will be less receptive to investing in the technology. Looking at the cost of running the program, the cost per unit was actually lower by giving the higher incentive. Talking to people at Efficiency Maine, they didn't try to convert plumbers, but converted customers with competitive pricing. Think SCL will do a limited time offer again. SCL is also part of a national study about what marketing messaging is most effective. Nationally, saving money was the strongest message, but in SCL territory the green message was the strongest.

Todd (Idaho): Been working on the product since 2011, and have tried many tactics and see more tactics to try. With 640,000 customers, Idaho is using direct mail letters, home energy reports, to raise awareness about this technology. There was a measure added last year about new construction, but education is still so critical. Had a conversation recently with someone who wanted to electrify and a HPWH but did not understand the ducting/condensate issue. Waiting to see what the amplification from the IRA, specifically the Appliance Rebate Act will be.

This country has never had so much support behind an appliance so it really is a gift. Oregon is going to be first with the 50122 (Home Energy Rebates), followed by WA, ID, and MT early next year. However, some storms are coming in looking at inflation and high interest rates. Expect some of the support from 50122 to be countered by inflation.

Sees 2025 as a very critical year, with the federal government so vocally supporting the technology. On Idaho's website, they do market the 25C and 25D tax credits, and will be including the IRA rebates. Any way to incorporate those credits on the landing page would be useful. Without the inflation and price increases, does not view price as the sole deciding factor, based on how much people pay for ductless heat pumps or other household expenses.

Emily (NEEA): One positive indicator has been a 20-30% increase in the number of installers who are mentioning HPWH on their site. This seems to be following the conversation around the IRA.

Will (PSE): Does anybody have data on full install cost on HPWH, even if not in WA state. PSE is having a hard time finding data, which makes it more challenging to do some sort of RFP with contractors.

Todd (Idaho): No hard data, but in general water heaters in Idaho cost around \$900 to \$1100 before COVID, and then it jumped to \$2200 almost overnight. This applied to both electric resistance and Natural Gas. 60 gallon HPWH was around \$1400 without rebates, and now it's around \$1900. 50 gallon was \$1200, this has gone up to \$1500. The whole market has changed.

Josh (Chelan): Seeing an increase in installations in Chelan County, can only attribute it to 25C.

Thad (ETO): Over the last three years, has seen a decline in the products in terms of participation in the programs. Peak numbers were in 2021, but have seen a decline with the price increases. Seeing growth in new construction, but not in retail and retrofit.

Lars (SCL): Seeing something similar in Seattle, where the prices went up, and then the interest rates went up, and people heard that they should wait in order to get a rebate. Sales volumes have come back a little since then, but not quite where they were.

Michele (Avista): Spokane is seeing something similar, even having shifted to a midstream model in the midst of the pandemic. It's hard to know what is driving the shift between COVID, price increases, and midstream incentives, but consumers are more conservative about what they are doing with their money.

Emily (NEEA): In general, sales are not as high as they were in 2021, but manufacturers, retailers, and distributors all feel that year was a fluke. The market seems to be happy where sales are, as they were expecting a greater drop based on the interest rates than what we are now seeing.

Returning to the marketing, it sounds like increased incentives were able to close the price gap with standard electric, limited time offers, and ensuring that the utility websites are up to date with the installer information.

Tyler (Emerald): Had some success talking about economics, showing ROI by comparing to a standard electric model. Did this through a social media post, a newsletter, and followed up with another social media post, and saw an increase of 50-100% over several months.

Thad (ETO): What is the best way for our marketing team to reach out to NEEA to discuss what ETO is doing?

Alisyn (NEEA): Now that I am running the Regional Portfolio Advisory Committee, I'll be working with your RPAC representative to schedule time to discuss this marketing campaign. The decision is with your teams to make sure you're pulling in the right people, and then you'll cast what we call your election at the May 13th RPAC meeting to decide who will participate in the campaign.

Trevor (Clark): Curious about what you'll see as you develop the contractor resource, as Clark recently switched the link on their site from sending people to Hot Water Solutions to the Comfort Ready Homes list, as it was more straightforward and we had more confidence. Comfort Ready Homes was doing a lot of outreach regarding the Spiff, so we thought it was a better approach.

Emily (NEEA): Would love to discuss this more, and this is why NEEA is updating the list. Evergreen is leading most of our implementation now, and they are the same organization that leads Comfort Ready Homes and we trust them to engage with installers.

A. Questions

Todd (Idaho): Is the idea on Hot Water Solutions to populate the Find the Installer with the people who have been properly trained and oriented?

Emily (NEEA): The existing list on Hot Water Solutions is very long, due to including everyone who attended a Hot Water Solutions training. This led to a very long list that isn't serving the region. NEEA is working on updating the list and requirement to be listed.. Could be wise to cross-reference with others' trade ally list. However, don't want to exclude those who may be interested from the list.

Todd (Idaho): When Idaho opened the HPWH incentive to his program in 2017, opened it to all contractors, didn't want to limit it. Currently has about 250 plumbers on the list, but only about 10% are actual installers of the product. Would make sense to provide NEEA with a list of the plumbers who are getting on board with these products. Is this campaign going to be requesting customer information?

Emily (NEEA): No, this campaign is an awareness campaign, not a conversion campaign, so no customer information to be included.

Will (PSE): PSE recently heard that Rheem is increasing its prices. Have you heard of this, and will it be the same across different manufacturers? And are there any new entrants that might help limit these increases? And do you know when those products may show up in stores?

Emily (NEEA): Expectation is to see these increases ripple across the three large manufacturers. Unfortunate, and we have communicated that to them. For new products, we know of three manufacturers who we are currently helping to test products, like Rinnai. It is unclear at the moment what the price impact will be, or when those products will be available in stores. Price increases look like 8% for HPWH and 4% for electric resistance.

Michele (Avista): In the marketing content where it says you can save hundreds of dollars, is that on the electric resistance baseline? Avista has had some customers who electrify and install a heat pump thinking they will save significantly, and do not. Would recommend adding a caveat to the marketing content.

Emily (NEEA): Yes the baseline is based on electric resistance. We understand the desire and need to put asterisks and baseline assumptions everywhere, so appreciate your concern. We envision that these caveats will come through on the landing page.

Todd (Idaho): When the expansion of multifamily began in 2014, it was difficult to find these new projects. Had to look for projects with leg work and interviews of those on site. It was necessary work, in order to get this information integrated with decision makers. In Idaho all of the structures were 3 or 4 stories, mostly being built with electric furnaces. How these projects are, you need to be very close to the developers to get them onboard with these ideas.

Q2 Topic Check In:

- Slide 25 - [workplan PCC-2024-Final-Workplan.pdf \(neea.org\)](#)

- Desired Outcome: Committee members confirm there is enough interest in this topic to hold time on the Q2 agenda and identify committee members on point to contribute to the topic development in the coming months.
- Advanced Heat Pumps – Stephanie Quinn on behalf of Suzi A.
 - **Coordination on planned or ongoing field studies/pilot studies/data collection**
 - Committee members interested in the topic.
 - Interested collaborators: William D, Christian, Mark, Trevor, Thad, Josh, Michele, Tyler
 - **ACTION:** Please reach out to Suzi if you think you have content or case studies that might be good for that this topic.
 - **Overall future of heat pump rebate offerings**
 - Interest shows to have RTF to come in on day 2 for awareness, prep and discussion and set up a meeting later in the year for impact?
 - **ACTION:** Suzi will reach out to RTF and apprise committee members of next steps
- Any additional relevant topics
 - Ad Hoc topic; Reach out to Anouksha on other relevant topics that we might want to discuss by May 22nd.
 - William Dixon: Are you taking a look at Home Scale Battery Storage?
 - Action: NEEA will check with Emerging Tech

Housekeeping:

- Slide 31 - [PCC charter - Products Coordinating Committee Charter \(neea.org\)](#)
- Slide 35- [EFX link Northwest Energy Efficiency Alliance \(NEEA\) | Efficiency Exchange](#)
- In-person Stakeholder visits: Starting in April and extending into June; hoping to start again in 2025. Hoping to leverage feedback from the stakeholder satisfaction survey which we do every 2-3 years. There will be more information from this survey shared once we have the data pulled.
 - Also good for face-to-face time. Alisyn is working directly with RPAC members to make these meetings and discuss onsite needs.
- Coordinating Committee Review – wanting to make sure we are streamlining these committees and hoping to find additional opportunities to make sure we have the right folks in the room, and we are providing the highest value to the members of these committees.
 - Will put together a strawman plan and present it to you in June and we will be hoping for your feedback.
- EFX24 is happening on May 14-15, 2024 in Coeur D’Alene, ID this year. Please register!
- Also, reminder of the Advanced Heat Pump focused Product Council is April 2!

Special Opportunity:

- March 28th - Christopher Dymond let us know that they are doing an overview on a collaboration project that might be possible coming out of a National Heat Pump Collaborative work, on Micro Window Heat Pumps.
 - **ACTION:** Reach out to Christopher Dymond, cdymond@neea.org, if you have questions on attending this overview.
 - **Asked for information:** Trevor Frick, Christian D, Las Henrickson, William Dixon, Michele Drake

Q2 PCC 2-Day Meeting *HYBRID* @ NEEA's office

Monday, June 24 and Tuesday, June 25, 2024