

# Memorandum



November 30, 2023

TO: Cost Effectiveness Advisory Committee  
FROM: Jonathan Belais, NEEA  
SUBJECT: Key Takeaways & Action Items – November 30, 2023

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To Committee Members,

Thank you for your attendance and participation at our November 30<sup>th</sup> Cost Effectiveness Advisory Committee meeting. We appreciate your feedback and questions. Below is a high-level summary of the meeting and the feedback we heard. If we missed anything or you have additional questions, please contact Jonathan Belais ([ibelais@neea.org](mailto:ibelais@neea.org)).

- [Meeting Packet](#)
- [Slides](#)

**NEEA Staff:** Aaron Ingle, Amy Webb, Anne Brink, Anu Teja, Becca Yates, Becky Walker, Ben Spearing, Chris Cardiel, Johnathan Belais, Kathryn Bae, Lauren Bates, Ryan Brown, Stephanie Rider, Susan Hermetet, Timothy Runyan, Traci Fantz, Zdanna King

**On the Phone:** Caleb Reimer (Cascade Natural Gas), Cory Hertog (Energy Trust), Danie Williams (NorthWestern), Haixiao Huang (NW Natural), Jake Kennedy (Energy Trust), Jason Talford (ID PUC), John Stalnaker (Kasey Curtis (Puget Sound Energy), Kathy Yi (Idaho Power), Kim Boynton (Avista), Landon Barber (Idaho Power), Meghan Pinch (Avista), Phillip Kelsven (BPA), Roger Kainu (OR DOE), Thomas Bernard (WA PUC), Quentin Nesbit (Idaho Power), Wesley Franks (WA UTC)

## CEAC Charter

You can access the CEAC charter any time on [neea.org](http://neea.org).

## Public Outreach on 2025 – 2029 Plans

NEEA has reached out for public opinion on the plan from June to August. The NEEA board will now review the feedback, and a final plan will be voted on at the December Board Meeting. Please reach out if you have any questions

## Leadership in Energy Efficiency Awards

You can still RSVP to join virtually. The ceremony will be held on December 4<sup>th</sup> from 12:00pm to 1:00pm. You can rsvp on [neea.org](http://neea.org).

## **2024 Cost Effectiveness Advisory Committee Meeting Dates**

- Q1 – February 28<sup>th</sup>
- Q2 – April 30<sup>th</sup>
- Q3 – August 28<sup>th</sup>
- Q4 – November 4<sup>th</sup>

## **Dual Fuel Measurement Work Group**

Two meetings have been held already to establish the outline of the guidance document. This document will help provide guidance toward the development of dual fuel market transformation measurements in the future. We expect the work group members to share the draft guidance document with their colleagues prior to our next meeting. The next meeting will be held January 25<sup>th</sup> to discuss feedback on the document. The final wrap up of this document is expected for Q2 2024.

## **Market Research and Evaluation Update (Presenter: Amy Webb)**

*Description* – NEEA staff presented a general overview of the Q3 2023 MRE Newsletter. The Q4 2023 MRE Newsletter is expected to be posted to neea.org around December 15<sup>th</sup>. An overview of Market Progress Evaluation Reports (MPER) was provided. MPERs are evaluative studies that track Market Transformation programs progress towards market progress indicators (MPI), review logic models, and provide market intelligence for program adaptive management.

*Feedback/Questions* –

- No Questions

*Action Items* –

- None

## **Market Progress Evaluation Report Recap (Presenter: Meghan Bean, Zdanna King, Anu Teja, NEEA Staff)**

*Description* – NEEA staff presented on three MPERs: Retail Product Portfolio (RPP), Luminaire Level Lighting Controls (LLLC), and Heat Pump Water Heaters (HPWH).

[RPP MPER #2](#): NEEA contracted with TRC to conduct RPP MPER #2. TRC assessed the status of the program's market progress indicators (MPIs) for products in the RPP portfolio, evaluated NEEA's assumption that participating retailer sales can be extrapolated to nonparticipating retailers in the Northwest, and explored whether and how market "shocks" affect sales of RPP products. TRC found that the RPP program is influencing the markets for products in the portfolio but that more research is needed to refine strategy for efficient clothes washers and dryers. TRC's assessment of NEEA's extrapolation approach supported the assumption that the RPP program influences non-participating retailers, although sufficient data were not available to assess freezers and room air conditioners. Regarding market "shocks," TRC found that the 2021 heat dome event increased sales of room air conditioners in the Northwest but that market share of efficient products remained constant, suggesting that retailers had stocked large quantities of efficient models.

[LLLC MPER #2](#): NEEA contracted with Cadmus group to act as the evaluator of the LLLC program in this study. The market transformation goal, market barriers, program strategy, and evaluation and research questions were outlined. 85 participants were surveyed, and the study found that NEEA's program modifications have kept pace with LLLC market changes and continue to advance LLLC market share. Progress of the program's short term outcomes were summarized.

Findings included that 1 out of 5 installers felt less than confident selling LLLC, first costs is still perceived as the first barrier to installers and designers despite incremental cost decreasing by 44% since 2017, reasons for upgrading lighting, and values to respondents after installation.

[HPWH MPER #7](#): NEEA contracted with NMR Group to act as the evaluator of the HPWH program in this study. Logic model review, MPI review, consumer awareness study, installer survey, and market sizing were all performed in this study. Key takeaways include a strong foundation for HPWH adoption is seen in the market, installers don't recommend HPWH for all homes, water heaters are not top of mind for consumers, retailers are critical players in pushing HPWHs forward, and HPWH make up about 15% of the water heater market share. Ongoing program activities were highlighted, and HPWH MPER #8 plans were presented.

*Feedback/Questions –*

- *Question – Kathy Yi:* For RPP, TRC is showing that NEEA has influence in these areas, but do you have the percentage of influence?

*Response – Meghan Bear:* We evaluate the amount of influence by reevaluating our baseline. We find out what would have happened if we weren't involved. Then based on that evaluation we can recommend changes.

*Action Items –*

- None

**Key Assumption Updates (Presenter: Ryan Brown, Tim Runyan, NEEA Staff)**

*Description –* NEEA staff provided an overview of the Q4 Key Assumptions Quarterly Report, and a reminder of the purpose behind key assumptions. The HPWH market share key assumption around new construction was specifically highlighted. The percentage of homes using electric water heating was seen to significantly increase to 89% since a WA codes study in July 2023. The regional market forecast also has changed slightly to account for a year of flat sales in 2023, which does decrease the growth rate of HPWH in the overall market slightly. This projection will be revisited when full 2023 market data is available. Replacement market growth is still expected over time, just materializing at a slower rate. A savings preview was provided to communicate a generalized sense of what is happening to savings and the amount that are accounted for now through NEEA's reporting on residential new construction.

*Feedback/Questions –*

- *Question – Quentin Nesbit:* Have you thought about a way to show the baseline that you were using to calculate savings along the same graph? A dotted line for the original baseline and then another line for the adjustment to be able to see the difference?

*Response – Tim Runyan:* We do have something along those lines coming up that may help get to the same affect. This update did not impact the baseline estimate, just the actual market estimate.

*Action Items –*

- NEEA to take Quentin's suggestion of showing baseline progression into account in future graphics.

**State Energy Code Assessment Introduction (Presenter: Becca Yates, Susan Hermet, NEEA Staff)**

*Description –* NEEA staff presented on a third party assessment conducted by ADM around NEEA's state energy code savings methodologies which includes board expectations and next steps. The timeline of events was provided, and recommendations to NEEA along with NEEA's responses were detailed. Recommendation #9 was discussed specifically, which involves

incorporating a quantitative method for isolating incremental savings due to NEEA-specific efforts approved by a third-party evaluator. NEEA's response to this is that NEEA conducts 3<sup>rd</sup> party influence evaluations for all of its market transformation work. NEEA does not attempt to develop a quantitative score for market transformation work which would be used to report energy savings. NEEA's board of directors have reviewed and discussed NEEA's responses to this report, and have allocated \$500K toward additional evaluation for the next business cycle, should it be necessary. In addition, the Board established parameters including staff providing a quarterly update, and the evaluation methods reviewed by CEAC. Implications of this process included a resource burden for CEAC, impacts on reported energy savings, and operations planning trade-offs. CEAC's process and timeline was presented, which showed topics that will be covered at each of the CEAC meetings through 2024.

*Feedback/Questions –*

- None

*Action Items –*

- None

**Final Announcements and Remarks**

- Next CEAC meeting will be on February 28<sup>th</sup>, 2024. Please submit any topic requests to Jonathan Belais at [jbelais@neea.org](mailto:jbelais@neea.org).

**Meeting Feedback**

- None

**Public Comment**

- None