

## 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 19-21 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, Executive Director

### ADDITIONAL RESOURCES:

> [Codes + Standards Newsletter](#)

> [Emerging Technology Newsletter](#)

> [Market Research + Evaluation Newsletter](#)

> [Market Progress Report](#)

## Deliver on Cycle 7 Mission + Purpose

NEEA is an alliance of utilities and energy efficiency organizations whose purpose is to pool resources and share risks to transform the market for energy efficiency to the benefit of all consumers in the Northwest. NEEA works with all parts of the market to deliver energy efficiency to Northwest consumers by:

- Gathering and analyzing data to inform both regional power planning and utility programs.
- Leveraging its relationships with mid and upstream market actors like manufacturers and retailers to influence their business practices by making the case for efficiency.
- Improving how products are tested and perform in real life applications.

These long-term efforts transform the market by making more efficient products and options available to consumers and businesses across the Northwest. Highlights of NEEA's market transformation progress achieved over the last quarter are documented below.

Portfolio Priorities	Q1 Updates
<b>2025 Portfolio Goal: Maintain progress in key electric portfolio programs driving NEEA's Cycle 7 energy savings, while exploring opportunities that align with evolving regional needs.</b>	
<b>Heat Pump Water Heaters</b>	<ul style="list-style-type: none"><li>• Added Heat Pump Water Heaters to the Retail Product Portfolio program, which will incentivize stocking and sales of HPWH through retailers in the Northwest while also expanding the breadth of data on real-world consumer water heating needs in the region.</li><li>• Engaged multiple manufacturers to create prototypes for the Hot Water Innovation Prize contest. This prize encourages innovation to address small spaces and other challenging installations, with a goal of expanding consumer choice options by increasing the variety of water heating products available on the market.</li></ul>
<b>Extended Motor Products (XMP)</b>	<ul style="list-style-type: none"><li>• Added two new manufacturer representatives to the Extended Motor Products (XMP) program, growing NEEA's reach into Idaho and Montana. These representatives sell products that represent new areas of efficiency opportunities for NEEA, including irrigation equipment and circulators.</li><li>• Published the first Market Progress Evaluation Report (MPER) for the XMP program. The study found a strong correlation between sales of smart pumps and engagement in NEEA's program. It also identified opportunities to enhance product efficiency and inform future awareness/labelling efforts for deepening the reach for efficient pump systems options within the region.</li></ul>
<b>Retail Product Portfolio/TVs</b>	<ul style="list-style-type: none"><li>• Expanded the Retail Product Portfolio program significantly in Q1, both by including two new product categories - heat pump water heaters and televisions - and by adding a major national retailer (Costco) to the program. These efforts deliver critical market data and insights previously unavailable to the region, which NEEA uses to demonstrate the demand for efficient products to retailers and manufacturers. This will lead to adjusted product assortments online and on retail shelves, providing consumers with a greater choice for efficient products online.</li></ul>

Portfolio Priorities		Q1 Updates
<b>2025 Portfolio Goal: Maintain progress in key electric portfolio programs driving NEEA's Cycle 7 energy savings, while exploring opportunities that align with evolving regional needs.</b>		
<b>Retail Product Portfolio/TVs</b>		<ul style="list-style-type: none"> <li>Partnered with national retailer Best Buy on a marketing campaign to test consumer buying preferences for efficient TVs. The results demonstrated that consumers care about energy savings when making a television purchase. NEEA will leverage these learnings with both retailers and manufacturers, to help drive future promotions and sales of ENERGY STAR® TVs.</li> </ul>
<b>2025 Portfolio Goal: Continue development of the Natural Gas portfolio and dual-fuel systems.</b>		
<b>Natural Gas/Dual-fuel Portfolio</b>		<ul style="list-style-type: none"> <li>Aligned on operational guidance for how NEEA measures and reports the impacts of dual-fuel Market Transformation programs (those that advance technologies that utilize both electricity and natural gas for heating or water heating), based on input from a stakeholder workgroup created for this purpose.</li> <li>Developed initial concept for a Residential Dual-Fuel HVAC Program that advances efficient systems with grid-enabled controls to provide energy and cost savings without sacrificing year-round comfort. The Natural Gas Advisory Committee will review for advancement in Q3 2025.</li> <li>Presented a program concept for a gas high-efficiency dedicated outdoor air system (DOAS) specification to the Natural Gas Advisory Committee. If approved, this will expand NEEA's electric High Performance HVAC program to address electric and gas heating systems, enabling swifter transformation of the commercial market through broader market engagement and increased demand.</li> </ul>
<b>2025 Portfolio Goal: Collaboratively develop End-Use Load Flexibility and Commercial Whole Building special projects.</b>		
<b>End-Use Load Flexibility</b>		<ul style="list-style-type: none"> <li>Conducted interviews with participating utilities to inform utility market and trends analysis; shared findings with Steering Committee to foster ongoing collaborative strategies.</li> <li>Developed analysis to estimate load reduction potential of key products and programs; it projected a 20-year potential 1–3-gigawatt load flexibility resource.</li> <li>Drafted an initial 2026-2029 End-Use Load Flexibility Strategic and Business Plan for a longer-term regional effort that builds upon the work of the 2024-2025 End-Use Load Flexibility Project, for NEEA Board Review in Q2 2025.</li> </ul>
<b>Commercial Whole Building</b>		<ul style="list-style-type: none"> <li>Launched Steering Committee meetings in January, with representation from each project funder.</li> <li>Coordinated with Building Potential, Seattle 2030 District, Oregon Department of Energy, Washington Department of Commerce, and the Northwest Power Conservation Council to stay informed and connected on related regional efforts.</li> <li>Initiated research, development and planning activities for the regional conversations NEEA will convene related to data, measurement and verification, and reaching rural buildings.</li> </ul>

Additional Priorities	Q1 Updates
<b>Other notable highlights.</b>	
<b>Regional Studies</b>	<ul style="list-style-type: none"> <li>• Launched the Motor Systems Stock Assessment (MSSA), the first study in nearly 26 years; established an MSSA Work Group to oversee a current Request for Proposal with a research target date of 2027.</li> <li>• Made significant progress in recruiting participants for the 2025 Commercial Building Stock Assessment (CBSA), a study of physical and energy-use characteristics of commercial facilities that informs regional power planning and energy efficiency program efforts.</li> </ul>
<b>Codes + Standards</b>	<ul style="list-style-type: none"> <li>• Reviewed the initial State Energy Code Baseline Approach and Key Assumptions Evaluation with the Cost-effectiveness and Evaluation Advisory Committee. This approach is part of NEEA's standard practice and follows up on the building energy code evaluation approach assessment discussions conducted over the past year to be responsive to regional needs.</li> <li>• Coordinated codes training across the region and interviewed utility staff to tailor tools and resources to support their new construction programs through recent code changes.</li> <li>• Began evaluating the impact of federal executive orders related to standard effective dates; engaging in state standard opportunities as it anticipates gaps and delays in federal standards processes.</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• Focused on IT incident response and disaster recovery enhancements for NEEA; made multiple policy updates in progress based on the 2024 Assessment by the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF).</li> </ul>



## Market Transformation Metrics

	Business Plan Estimate	Current Forecast	Status
<b>Electric Portfolio Energy Savings</b>			
<b>5-year (2025–2029) Co-Created Energy Savings (aMW)</b>	190–225	190–225 <sup>1</sup>	
<b>Natural Gas Portfolio Energy Savings</b>			
<b>5-year (2025–2029) Co-Created Energy Savings (MM Therms)</b>	6–17	6–17	
<div> <div></div> Within 5% of target           <div></div> Within 5-10% of target           <div></div> More than 10% from target         </div>			

## Operational Metrics

	Actual	Forecast	Budget / Target	Status
<b>Electric Portfolio</b>				
<b>YTD Investment (\$M)</b>	\$8.6	N/A	\$9.0	
<b>Full Year Investment (\$M)</b>	N/A	\$38.7	\$38.7	
<b>Natural Gas Portfolio Energy Savings</b>				
<b>YTD Investment (\$M)</b>	\$1.3	N/A	\$1.4	
<b>Full Year Investment (\$M)</b>	N/A	\$5.7	\$5.9	
<b>Administrative Budget</b>				
<b>Administrative Expenses (%)</b>	17.6	N/A	<18.0	
<b>Employee Retention</b>				
<b>Quarterly Turnover (%)</b>	0.9	N/A	<3.0	
<div> <div></div> Within 5% of target           <div></div> Within 5-10% of target           <div></div> More than 10% below target         </div>				

Variance Notes:

**Natural Gas Portfolio:** NEEA's natural gas actuals through Q1 were \$1.3M, or 8% below budget. This variance is primarily due to a staffing vacancy as NEEA is hiring a Product Manager to support the expanding portfolio. NEEA staff are projecting that core gas will finish the year close to budget.

**Co-Created Energy Savings:** Energy savings that the region and local programs achieve by working together.  
**Total Regional Energy Savings:** All energy savings calculated above the pre-intervention market starting point.  
**Administrative Expenses:** Percent of total budget dedicated to business administration and executive cost centers.

<sup>1</sup> NEEA is tracking external factors and federal policy changes to assess related impacts to near term savings expectations.