

## NEEA QUARTERLY REPORT

# Q2 2025 // Performance Highlights

### A Note from the Executive Director

This quarter, NEEA released its [Cycle 6 and 2024 Annual Report](#), showcasing the innovations and milestones that the alliance achieved during our 2020–2024 business cycle. The region is continuing to build on this work, advancing emerging technologies and removing market barriers to energy efficiency. Highlights from NEEA’s activities in Q3 include:

- Partnered with Clark County PUD, the Gas Technology Institute (GTI) and NW Natural to publish a [white paper](#) on a collaborative approach to advancing dual-fuel residential HVAC to achieve a reliable, resilient and affordable energy future.
- Observed a 15% increase in Heat Pump Water Heater total sales through NEEA distributor partners (both retrofit and new construction markets) this quarter; sales trends observed in the preliminary retail data are holding steady.
- Submitted comments underscoring the consumer benefits of more than a dozen existing federal standards. These benefits are supported by both U.S. Department of Energy’s analysis and by NEEA’s data.

In mid-May, NEEA convened the largest Efficiency Exchange conference to date, bringing together over 600 energy efficiency professionals from more than 200 organizations to learn, share best practices and connect to help the region more effectively achieve its energy efficiency goals.

Efficiency Exchange 2025 featured two dozen sessions on topics curated by the region, as well as a keynote panel of utility CEOs that included Maria Pope, Portland General Electric; Kyle Roadman, Emerald PUD; and Kim Rush, NW Natural. In the post-event survey, 98% of respondents rated the conference good/excellent.

More highlights from NEEA’s work are available in the 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 NEEA's Market Transformation programs as well as 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	Q2 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 (HPWH)</b>	<ul style="list-style-type: none"><li>• Launched development of a national partner matrix with the Advanced Water Heating Initiative. This database will identify HPWH efforts across the country, highlighting region-specific barriers, opportunities, and key actors, and support NEEA's efforts to increase HPWH adoption in the Northwest.</li></ul>
<b>Extended Motor Products</b>	<ul style="list-style-type: none"><li>• Documented an increase in smart pump market share reaching 22% year-to-date, driven by a strong Q2 performance.</li><li>• Increased awareness on the benefits of energy-efficient smart pumps both within the pump industry and among utility customers through community and industry events, such as International Facility Management Association and National Association of Energy Service Companies.</li></ul>
<b>Retail Product Portfolio/TVs</b>	<ul style="list-style-type: none"><li>• Maintained market relationships, partnering and planning with industry stakeholders to navigate ENERGY STAR® program developments. NEEA is closely tracking developments on behalf of the region.</li><li>• Continued lab testing for laundry, refrigerators, heat pump dryers to support future advancements in product specifications.</li></ul>

Portfolio Priorities	Q2 Updates
<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>• 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 (NGAC). If approved by NGAC in early 2026, 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> <li>• Began baseline metering at a dual-fuel commercial water heating demonstration site that is preparing for installation by the end of the year. An additional gas heat pump demonstration site is also in the early stages of development.</li> <li>• Completed the first Market Progress Evaluation Report (<a href="#">MPER #1</a>) for Efficient Rooftop Units (RTU) to address efforts to increase market awareness, availability and efficiency program inclusion.</li> </ul>
<b>2025 Portfolio Goal: Collaboratively develop End-Use Load Flexibility and Whole Building special projects.</b>	
<b>End-Use Load Flexibility</b>	<ul style="list-style-type: none"> <li>• Discussed the <b>Draft End-Use Load Flexibility 2026-2029 Strategic and Business Plan</b> with NEEA's Board of Directors to gather feedback and input and worked with the Steering Committee on edits for a revised version of the Plan. This Plan lays out a proposed regional Market Transformation approach to accelerate load flexibility as a resource.</li> <li>• Represented the region's End-Use Load Flexibility work by sharing best practices and results at recent industry events and conferences including the Peak Load Management Spring Conference, Efficiency Exchange and the Western Energy Institute Utilities Conference to support regional collaboration on the topic.</li> </ul>
<b>Whole Building</b>	<ul style="list-style-type: none"> <li>• Developed regional resources to enable high-performance buildings to meet or exceed policy targets. Resources will include materials to help building owners navigate compliance with building performance standards (BPS), funding and finance pathways and opportunities, case studies, and a recognition strategy for buildings who exceed targets.</li> <li>• Initiated work to develop whole building market transformation concepts. Completed data analysis, secondary research and interviews with utilities related to BPS implementation to date, and established database of whole building market transformation concepts foundational to this work.</li> </ul>

Additional Priorities	Q2 Updates
<b>Other notable highlights.</b>	
<b>Regional Coordination</b>	<ul style="list-style-type: none"> <li>Submitted input to the Northwest Power and Conservation Council's 9th Power Plan to recommend incorporating demand reduction-induced price effects into cost-effectiveness modeling, reassessing development timelines for new generation resources, evaluating risks from demand uncertainty and natural gas supply constraints, and reconsidering the treatment of renewable energy tax credits to better reflect their impact on Northwest ratepayers.</li> </ul>
<b>Market Research + Evaluation</b>	<ul style="list-style-type: none"> <li>Launched an Agricultural Pumps Market Research effort to explore market barriers and other aspects of the regional market for efficient irrigation pumps across the Northwest.</li> <li>Finalized the Northwest Market Characterization study, exploring how energy-efficient benefits are distributed across different geographic communities across the Northwest, with a focus on rural areas. The study will inform future research and market transformation strategies.</li> </ul>
<b>Emerging Technology</b>	<ul style="list-style-type: none"> <li>Published final report for commercial heat pump dryers. Study findings revealed insights to support manufacturers in refining commercial dryer product design to better serve customer needs.</li> <li>Launched several new research projects, including residential duct sealing and modeling for natural gas and very high efficiency dedicated outdoor air systems (DOAS).</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Received certification from an independent audit firm for 2024 financial statements, including no material adjustments needed, in accordance with the Generally Accepted Accounting Principles.</li> <li>Redesigned NEEA's website, <a href="https://neea.org">neea.org</a>, and the <a href="https://BetterBricks.com">BetterBricks.com</a> website with the latest best practices in security and improved navigability to better serve the region's stakeholders and building owners.</li> <li>Upgraded NEEA office technology, policies and procedures, including a more secure Virtual Private Network based on 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>	\$18.3	\$18.8	\$18.5	
<b>Full Year Investment (\$M)</b>	N/A	\$38.7	\$38.7	
<b>Natural Gas Portfolio Energy Savings</b>				
<b>YTD Investment (\$M)</b>	\$2.7	\$2.7	\$3.0	
<b>Full Year Investment (\$M)</b>	N/A	\$5.9	\$5.9	
<b>Administrative Budget</b>				
<b>Administrative Expenses (%)</b>	16.4%	N/A	<18.0%	
<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 Q2 were \$2.7M, or 10% 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 natural gas work will finish the year close to budget.

**Co-Created Energy Savings:** Energy savings that the regional Market Transformation efforts and local programs achieve by working together. These savings reflect the gains above a forecasted market baseline.

**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. NEEA adjusts its savings forecasts twice a year. The next updated forecast will be shared in the Q3 Quarterly Report, which the Board will receive in December.