2026 Operations Plan

Organizational Priorities, Planned Market Transformation Program Activities and Budget

FINAL – November 2025

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NEEA's 2026 Operations plan references terms from its Cycle 7 (2025 – 2029) Strategic and Business Plans. The Glossary of Terms is available in Appendix V of the Cycle 7 Plan.

Executive Summary

NEEA's 2026 Operations Plan outlines goals and activities for the second year of its 2025-2029 business cycle. In 2026, NEEA aims to accelerate energy efficiency across the Northwest by advancing Market Transformation initiatives that benefit all four states. Teams will address market barriers, pursue new efficiency opportunities and work to ensure the benefits of NEEA's work reach all Northwest customers.

Highlights for 2026 Include:

- Exploring emerging opportunities across multiple product groups and accelerating market change leading to energy savings. Key considerations will include timing of savings benefits, peak load reduction value as well as dual-fuel and fuel-neutral opportunities.
- Engaging with manufacturers on voluntary specifications to drive product innovation and advance efficient options for consumers in the Northwest.
- Publishing the 2025 Commercial Building Stock Assessment and recruiting industrial facilities for the region's first Motor Systems Stock Assessment since 1999.
- Conducting research (e.g., supply chain dynamics, community and market insights) to better understand the relative distribution of energy efficiency benefits in the region and inform strategies to address affordability of energy efficiency.
- Piloting a Northwest online regional marketplace for energy-efficient consumer products to test its value proposition to Northwest consumers and utility programs.
- Advancing specially funded projects that are funded by a sub-set of NEEA's core funders: Commercial Whole Building, End-Use Load Flexibility, and End-Use Load Research.

Portfolio Energy Savings: NEEA's Cycle 7 Business Plan expects to deliver between 195-225 average megawatts (aMW) of Co-Created electric energy savings between 2025-2029. Co-Created natural gas savings in Cycle 7 are estimated to be between 6-17 million therms.

Operational Budget: The **2026 Operations Plan budget is $53.7M,** which includes budgeted expenditures for electric portfolio activities ($42.3M), natural gas portfolio activities ($7.2M), and non-core funding ($4.2M). Detailed 2026 budget tables begin on page 22.

Introduction

The Northwest Energy Efficiency Alliance (NEEA) is an alliance of more than 140 electric and natural gas utilities and energy efficiency organizations working on behalf of Northwest energy consumers to increase the adoption of energy-efficient products services and practices.

Mission: To catalyze the most efficient use of energy for a thriving Northwest.

Purpose: NEEA is an alliance of utilities and partners that pools resources and shares risks to transform the market for energy efficiency to the benefit of all consumers in the Northwest.

External Environment & Risk Management

NEEA is tracking and managing several trends and change drivers, which could create new areas of opportunity for the alliance in 2026 or affect the organization's ability to deliver on its strategic goals.

Federal policy shifts – The new federal administration has articulated several energy-related priorities, including affordability, reliability and consumer choice, which align well with the benefits delivered by energy efficiency Market Transformation. At the same time, the scale of federal funding decreases could create resource constraints for the market actors with whom NEEA works. Increasing product costs from tariffs and potential rollbacks and diminishing opportunities in federal product standards and ENERGY STAR® could create more risk for this business plan cycle and could impact regional energy savings potential. This trend is expected to continue throughout the remainder of Cycle 7 and will inform NEEA's market intervention strategies. For example, with federal standards activities slowing down, NEEA staff will focus on other activities such as voluntary and state-level standards.

Focus on affordability – Surging energy demand in the region is driving the need for large investments in generation, transmission, and storage infrastructure, and putting immense pressure on energy costs. Across the region, utilities and energy efficiency organizations are focused on meeting these needs while prioritizing customer affordability. Energy efficiency is a proven mechanism for reducing consumer costs, presenting the alliance with an opportunity to support regional affordability goals through Market Transformation activities. NEEA will focus on regional solutions to help bring down the costs for energy efficiency, including targeted research to better understand how and why the diffusion of energy efficiency benefits varies in different locales across the region, and to uncover potential solutions including innovative financing mechanisms for energy-efficient products.

Economic headwinds and uncertainty — Despite the introduction of international tariffs, most economic indicators remained steady in 2025. Slight downturns in the second half of 2025 were highly sector dependent, indicating less consumer demand for certain luxury and service sector goods. With manufacturers and retailers pre-purchasing goods to avoid future tariffs, however, this relative stability may not extend into 2026. Some manufacturers have already announced price increases and consolidation of stock-keeping units (SKUs) to mitigate the impacts of future economic shifts. Market actors are grappling with renewed economic and geopolitical uncertainty (e.g. uncertain tariffs, inflation, etc.) and are developing strategies to control escalating costs, ensure stable supply chains, and maintain product quality. Investments in efficient features and products may be competing with other organizational priorities and investments. In response, NEEA is collaborating with partner organizations across the country to aggregate market influence, share learnings and best practices, and align efforts in the market. These efforts work to ensure market actors prioritize efficient features and products and understand the long-term value proposition of energy efficiency, which can include developing a competitive advantage in the market and increase the number of affordable options for consumers. NEEA is also tracking market trends and economic indicators to inform the adaptive management of NEEA's Market Transformation portfolio in the context of these highly-dynamic market conditions.

Evolving policy environment for natural gas – Tensions between decarbonization, customer choice and affordability considerations are continuing in some parts of the region. At times, efforts to implement strategic electrification have proven challenging when faced with equal policy directives to reduce customer costs and improve affordability and customer choice. Dual-fuel solutions are frequently cited as an opportunity to mitigate costs and grid impacts, but there are limited demonstrations and varying frameworks for understanding the costs

and benefits of these systems. At the state level, policies in Washington that discourage incentivizing of residential gas appliances have created uncertainty for the future of natural gas efficiency efforts in that state. This dynamic is likely to play out over the next several years with uncertain impacts to NEEA's long-term work. In response, NEEA is focusing its natural gas portfolio on commercial, dual-fuel and fuel-neutral measures in Cycle 7 – prioritizing work that will deliver long-term value to the region in multiple decarbonization scenarios. Additionally, NEEA staff are exploring opportunities to further define the barriers and opportunities present for dual-fuel initiatives to better align efforts with existing policy and market landscapes. NEEA is also closely monitoring the impacts that state-level energy policies have on the market for energy-efficient technologies so that it can adapt program strategies as barriers shift or emerge.

Progress Toward Strategic Plan Goals

NEEA's 2026 Operations Plan identifies and prioritizes key opportunities for the second year of NEEA's 2025-2029 business cycle. Guiding this annual operations plan are NEEA's 2025-2029 Business Plan and its four strategic goals:

1. Transform Markets for Energy Efficiency.
2. Accelerate the Adoption of Grid-Enabled End-Use Technologies through Market Transformation.
3. Advance Strategies to Reduce Greenhouse Gas Emissions through Market Transformation.
4. Advance the equitable delivery of energy efficiency benefits to Northwest consumers through Market Transformation.

In Cycle 7 (2025-2029), **NEEA's highest priority is energy efficiency Market Transformation** and NEEA will focus its efforts on delivering market change that leads to energy efficiency. In addition, NEEA will explore evolving efficiency opportunities around load flexibility, dual-fuel products and regional value delivery that align with NEEA's purpose, mission, and core competencies and deliver benefits for electric and natural gas utilities, energy efficiency administrators, businesses and consumers throughout the Northwest.

Goal #1: Transform Markets for Energy Efficiency.

NEEA's first strategic goal, transforming markets for energy efficiency, is the highest priority and value to the region. In 2026, NEEA remains focused on the regional needs identified in the business plan, including long-term pipeline development, prioritizing efficient technologies that save energy at peak, and expediting market interventions where possible to unlock energy savings sooner.

2026 Focus Areas:

- Evaluating emerging opportunities across multiple product groups with the goal of identifying new concepts to become new programs before the end of Cycle 7.
- Expediting market interventions to accelerate energy savings in the electric portfolio focusing on the water heating, consumer products and motor-driven systems (i.e., pumps and fans) markets.
- Advancing efficiency in state-level codes and standards and working on voluntary specifications and agreements with manufacturers. These activities will offer a clear path for manufacturers and consumers in the absence of federal guidelines.

- Continuing to find efficiencies in the management of the NEEA's gas, electric and specially funded portfolio, optimizing resources and coordinating stakeholder and market engagement.

Goal #2: Accelerate the Adoption of Grid-Enabled End-Use Technologies through Market Transformation.

Context and Assumptions:

During the Cycle 7 strategic planning process, NEEA's Board identified load flexibility as a priority for the region's energy system and Market Transformation as a tool to accelerate the adoption of grid-enabled end-use technologies. NEEA works upstream in the market to influence the development of technologies that are both efficient and flexible. It also participates in standards-setting procedures to guide the development of efficient and connected devices, and additionally to develop methods to connect existing products and technologies installed in the region. In 2024, NEEA launched a two-year specially funded project to align the region around opportunities specifically focused on load flexibility, test Market Transformation strategies for connected products and conduct research to prioritize further opportunities and develop a long-term load flexibility portfolio for the region. This work is currently being reviewed by the region for potential extension (see page 8 for a description of the specially funded project).

2026 Focus Areas (Core work):

- Working in the market to advance product capabilities that enable both energy-efficiency and load flexibility to support the region's goals, including resource adequacy, affordability and resilience.
- Continuing to investigate the trend toward integrated systems (e.g., lighting controls integrated with HVAC) and the continued prevalence of connected devices in the home, both with the capability of providing flexible load solutions.
- Identifying new areas of synergy between NEEA's core portfolios and the specially funded end-use load flexibility project to optimize both portfolios.

Goal #3: Advance Strategies to Reduce Greenhouse Gas Emissions through Market Transformation.

2026 Context and Assumptions:

Market Transformation offers a unique approach to support state-level energy policy goals by connecting the market to policy drivers and helping to align product development roadmaps with the anticipated regional needs of the future. NEEA is working to advance commercial gas technologies and dual-fuel (gas and electric) systems. Dual-fuel systems, when properly configured offer a pathway to greater energy system efficiency, resilience and resource adequacy, while also supporting decarbonization policies where they exist in the region and offering consumers greater choice and flexibility.

2026 Focus Areas:

- Advancing new opportunities for dual-fuel technologies in the HVAC and water heating markets, with the goal of adding one new dual-fuel or fuel-neutral program to the natural gas portfolio in 2026.
- Concluding a field demonstration validating the efficiency of and potential for cutting-edge dual-fuel HVAC systems to serve as a resource for consumers, utilities and the region's energy grid. NEEA's work

will focus on evaluating the performance of the technology and understanding how to increase the value of energy efficiency while identifying additional benefits that could be realized for both the gas and electric energy systems.

- Identifying the full suite of value streams for customers, utilities and energy systems of dual-fuel products and systems.
- Continuing to track and report the carbon emissions reductions associated with NEEA's portfolio of electric and natural gas programs to support state-level energy policy goals and reporting needs where they exist.

Goal #4: Advance the equitable delivery of energy efficiency benefits[1] to Northwest consumers through Market Transformation.

2026 Context and Assumptions:

During the Cycle 7 business planning process, the Board recognized the need to ensure that the benefits of Market Transformation are delivered to all Northwest customers, including customers with a high energy burden and those in rural areas. NEEA's Board has identified affordability as a key barrier for some Northwest customers to benefit from energy efficiency programs. NEEA's own research suggests that customers in rural areas and towns in the Northwest may experience unique barriers to accessing energy-efficient technologies related to access, infrastructure, resources, awareness and trust. In 2025, the Board directed staff to conduct additional research to better understand the drivers of energy burden and to explore regional strategies to address affordability, including innovative financing.

2026 Focus Areas:

- Explore innovative financing tools and strategies to lower the first cost of energy efficiency at a regional level.
- Conduct more targeted research to better understand why some households experience a higher energy burden, how the diffusion of energy efficiency benefits varies in different locales across the region, and to explore the decision-making process energy burdened households follow when making both short- and long-term energy investments.
- Investigate how market actors in rural areas adapt to limited supply chain access, considering factors like product selection, pricing and workforce training, and identify business models that can be replicated to support Market Transformation and growth of an energy efficiency workforce.
- Identify unique barriers and opportunities within the supply chain to accelerate Market Transformation in Montana. Lessons learned will be leveraged in other areas around the region to ensure that the benefits of energy efficiency are delivered to all Northwest customers, including those living in towns and rural areas.

[1] 'Equitable distribution of benefits' is statutory language that appears in the 1980 Northwest Power Act directing the BPA Administrator to ensure equitable distribution of conservation and resource acquisition benefits across the region. NEEA's 2025-2029 Strategic and Business Plans direct NEEA staff to work with the Board to develop specific metrics, goals and definitions under this goal.

- Continue to convene the region to explore programmatic opportunities to address first cost of energy-efficient products and develop intervention strategies to ensure the benefits of Market Transformation reach all Northwest consumers.

Exploring New Opportunities for Market Transformation through Special Funding

In the process of developing the Cycle 7 Business Plan, a handful of opportunities were identified that align with NEEA's strategic goals but deliver a primary benefit other than energy efficiency, and/or address needs that are not shared across the region. These opportunities are funded outside of NEEA's core work by a sub-set of NEEA's funders and/or other entities within or outside the Northwest who are not core funders. In 2026, these specially funded projects will be:

End-Use Load Flexibility

NEEA's 2025–2029 Strategic Plan identifies "accelerating adoption of grid-enabled end-use technologies through Market Transformation" as a strategic goal for the alliance in Cycle 7. This goal allows for exploration of Market Transformation opportunities supporting the region's ability to manage electric loads by making the end use of energy not just more efficient, but also connected and controllable. Building on the work that was done for the 2-year special project, NEEA has scoped a broader 4-year load flexibility portfolio based on direction from regional utilities. This work is currently being reviewed by the region for potential funding.

Whole Building

The Whole Building Special Project is creating a regional, market-focused approach for utilities and efficiency programs to offer meaningful support to building owners to overcome traditional barriers to energy efficiency retrofits and create an unprecedented pipeline of efficiency projects. For many under-resourced building owners throughout the region, there is a significant opportunity to increase access to, and awareness of, the practices that maximize value and provide pathways to exceeding energy performance targets where they exist. The project seeks to motivate the commercial building sector to undertake deep energy efficiency and decarbonization retrofits in a way that is widely accessible, scalable, and affordable for owners and occupants. In 2026, the project will focus on developing regional tools and resources, refining innovative Market Transformation concepts, assessing the current landscape of emerging technologies and existing relevant research, and drafting and proposing a second phase of the project.

End-Use Load Research

The End-Use Load Research project is a specially funded initiative led by NEEA designed to provide detailed insights into the energy use characteristics of buildings and installed equipment across the Northwest. Designed to collect high-resolution electricity usage data across residential and commercial buildings in the Northwest, it is the first large-scale study of its kind in over 30 years. Data collected from this project supports regional planning efforts, utility conservation potential assessments, and the Power Council's 20-year Power Plan. With data collection now complete, in 2026, NEEA will focus on data analysis and developing analytical tools for regional stakeholders.

Portfolio Overview

In 2026, NEEA will continue to manage its core portfolios of electric and natural gas Market Transformation programs, including those that span across portfolios as dual-fuel or fuel-neutral opportunities. NEEA's portfolio management goal is to deliver a balanced portfolio for the region that addresses a broader set of regional needs identified in the Cycle 7 Business Plan:

- Expediting market interventions where possible to unlock energy savings sooner while balancing the need for a long-term pipeline of opportunities.
- Emphasizing opportunities that contribute to peak load reduction and support state-level energy policy goals.
- Learning where NEEA's Market Transformation work can support the distribution of benefits to all Northwest customers.

Electric: The alliance's electric portfolio is comprised of Market Transformation programs in the consumer products, HVAC, lighting, motor-driven systems, new construction and water heating markets (see Table 1). In 2026, one program – Efficient Fans – is preparing to advance from program development into market development pending approval from the Regional Portfolio Advisory Committee (RPAC). In addition, NEEA is developing at least two new concepts to advance into the portfolio mid-cycle, providing the right market conditions and alignment with NEEA's portfolio strategy. Those opportunities that are currently being considered for advancement are listed in the Concept Development column of Table 1.

Table 1 – 2026 Expected Portfolio Composition by Product Group and Maturity: Electric, Natural Gas and Dual-Fuel

Product Group	Initiative Lifecycle Phase			
	Concept Development	Program Development	Market Development	Market Diffusion
Consumer Products	• Room heat pump (electric) • Commercial displays (electric)		• Retail Product Portfolio (electric)	
HVAC	• Efficient Rooftop Units expansion to include heat pumps (dual-fuel potential)	• Dual-fuel Residential HVAC (natural gas)	• Advanced Heat Pumps (electric) • High-Performance HVAC (expansion planned in 2026 to add gas efficiency) • Efficient Rooftop Units (natural gas)	• Ductless Heat Pumps (electric)

Product Group	Initiative Lifecycle Phase			
	Concept Development	Program Development	Market Development	Market Diffusion
Lighting	• Luminaire Level Lighting Controls expansion to exterior lighting products (electric) • Luminaire Level Lighting Controls + HVAC (fuel-neutral)		• Luminaire Level Lighting Controls (electric)	
Motor-Driven Systems	• Power drive systems (electric)	• Efficient Fans (electric)	• Extended Motor Products – Pumps (electric)	
New Construction				• Manufactured Homes (electric)
Water Heating	• Commercial (central / unitary) water heaters (electric)	• Advanced Commercial Water Heating (natural gas and dual-fuel)	• Heat Pump Water Heater (electric)	
Other	• Commercial laundry (natural gas or dual-fuel)			• Strategic Energy Management (electric)
	Note: This table does not include additional value delivery streams in new building codes, product standards, and other investments such as infrastructure, emerging technology scanning, and building stock assessments.			

Natural Gas: NEEA's natural gas portfolio is optimized to deliver value and mitigate risk in the rapidly changing policy landscape. Based on guidance from NEEA's Board and in consultation with the Natural Gas Advisory Committee (NGAC), NEEA staff have focused alliance natural gas investment in the following areas:

- Commercial gas technology Market Transformation opportunities
- Dual-fuel system opportunities that could include residential markets
- Areas and approaches that can become fuel-neutral and can be used across equipment types to garner increased market attention
- Opportunities in building codes and federal and state product standards
- Ongoing support of the regional building stock assessments and NEEA's convene and collaborate function

Portfolio Value Delivery

NEEA estimates the electric portfolio will deliver between 195-225 average megawatts (aMW) of Co-Created energy savings between 2025 – 2029. Co-Created natural gas savings are estimated between 6-17 million therms. These estimates were published in the Cycle 7 Business Plan and continue to reflect NEEA's best understanding of 5-year regional energy savings based on market conditions, program strategies and available data. NEEA will continue to update its forecasting models twice a year with the anticipation that savings estimates to shift and become more refined as the business cycle progresses and more data becomes available.

Table 2 – Portfolio Value Delivery: Cycle 7 (2025-2029) Scorecard

Market Transformation Metrics		Business Plan Range Estimate
Electric Portfolio	5-year (2025–2029) Co-Created Energy Savings (aMW)	195–225
	10-year (2025–2034) Co-Created Energy Savings (aMW)	365–470
	5-year Carbon Reduction (thousand tons)	780–900
	5-year Winter Peak Load Savings (MW)	390–475
	5-year Summer Peak Load Savings (MW)	340–400
Natural Gas Portfolio	5-year (2025–2029) Co-Created Energy Savings (MM Therms)	6–17
	10-year (2025–2034) Co-Created Energy Savings (MM Therms)	10–51
	5-year Carbon Reduction[2] (thousand tons)	70–200

Planned Activities by Workstream

NEEA takes a wholistic approach to Market Transformation that includes five workstreams: **Emerging Technology; Market Strategy and Execution; Codes and Standards; Analytics, Research and Evaluation; and Convene and Collaborate**. The following section details planned 2026 activities in each workstream along with administrative activities critical for supporting the organization.

Emerging Technology

NEEA routinely scans for, assesses, and reports on the potential for newly identified efficient products, services and practices. Once these opportunities are identified, NEEA works with manufacturers to encourage products that meet regional needs and truly save energy by conducting lab and field-testing and providing data to the U.S. Department of Energy (DOE), the U.S. Environmental Protection Agency (EPA), and other organizations to support test procedures and voluntary specifications. As a regional organization, NEEA focuses on opportunities that have broad benefits across the four Northwest states, including places that have unique barriers and opportunities for efficiency, such as rural markets and colder climates.

[2] Reduction in carbon emissions is calculated at a regional level based on the amount of energy saved through the alliance's efforts to transform the market.

2026 Context

With demand for power generation and energy infrastructure rising regionally and nationally, energy efficiency and load flexibility have an important and growing role to play in meeting the challenge. While recent shifts in federal engagement, tariffs, and fluctuating market conditions have introduced new uncertainties, technology advancement continues to accelerate offering innovative and impactful opportunities that can help the Northwest meet its energy goals. Evidence from new products suggests that manufacturers are considering grid benefits beyond energy efficiency when they design their products. Some examples of new product features include:

- Efficient products that include grid connectivity for load flexibility purposes.
- Dual-fuel products with the ability to shift or combine heating energy sources based on load, outdoor conditions or signals from utilities.
- Advanced heat pumps with either cold climate capabilities or low-load efficiency that include controls features to optimize base load, outdoor conditions or signals from utilities.

Goals and Focus Areas

- **New Opportunity Scanning**: NEEA continues to actively scan the market for emerging energy-efficient technologies, leveraging strong relationships with manufacturers, technology developers, national labs, utility programs outside of the Northwest, and other R&D organizations. The alliance also remains open to unsolicited proposals submitted through its website, ensuring a broad and inclusive pipeline of innovation. To support Cycle 7 goals, NEEA is expanding its scanning efforts into the industrial sector (e.g., heat pumps, integrated motors, data centers) and broadening its assessment of technologies beyond energy savings to attributes such as load flexibility and other non-energy benefits. Controls remain a theme across product groups, with growing opportunities to integrate systems such as coordinated system operations with HVAC and lighting. A more emerging part of product and system controls is harnessing the capabilities of artificial intelligence (AI) to enhance efficiency. As dual-fuel systems enter the market with the intent of addressing the efficiency challenges of today, mature and intelligent controls will be critical to unlocking their full potential.
- **Product Management**: Product management at NEEA is designed to identify, assess, and help launch programs for emerging technologies that will benefit the Northwest. In 2026, NEEA will evaluate the following concepts for potential addition to the portfolio: luminaire level lighting controls (LLLC) for exterior lights (electric), LLLC + HVAC (fuel-neutral), drives for motors (electric), room heat pumps (electric), commercial laundry (dual-fuel), and heat pumps in efficient rooftop units (dual-fuel). Other products being prioritized to evaluate savings opportunities include dual-fuel residential water heaters.
- **Regional Coordination**: At the regional level, NEEA tracks ongoing emerging technology activities and coordinates with the Regional Emerging Technology Advisory Committee (RETAC) to support collaboration that enables more effective and leveraged emerging technology work across the region. NEEA will continue to coordinate regional emerging technology research with RETAC on a

quarterly basis and convene Product Council meetings to disseminate research findings and technology innovations. NEEA will leverage strategic relationships both nationally and internationally with outside organizations, utility programs and research laboratories. Collaborating on emerging technology work in other regions throughout the US and Canada allows the alliance to stretch its investment dollars into research and investigations of new products that will bring value back to the Northwest.

Market Strategy and Execution

Once a new energy efficiency opportunity is identified and proven to deliver reliable energy savings, NEEA accelerates adoption of these new opportunities through its Market Transformation programs. For each program, NEEA identifies market barriers to adoption and then strategically intervenes to remove those barriers and influence decision-makers throughout the supply chain. Ultimately, this work ensures that Northwest customers have greater access to efficient products at increasingly affordable prices.

2026 Context

- **Emphasis on near-term savings in the Portfolio**. NEEA's Cycle 7 business plan emphasizes the regional need for the alliance to expedite market impact where possible to realize regional benefits sooner in response to heightened pressures on the region's energy system. That need is even further underscored by new external factors that create more risk for this business plan cycle, such as increasing product costs from tariffs and potential rollbacks and diminishing opportunities in federal product standards and policy. NEEA is addressing these factors by emphasizing leverage across existing market work and developing opportunities that have the potential to broaden market reach and accelerate energy savings. This also puts added pressure on programs to more acutely navigate near- and long-term trade-off decisions. Some programs are ramping activities or expanding their scope, while others are staying at a steadier pace, allowing NEEA to be more flexible and able to shift resources to the highest value areas.
- **Increased emphasis on dual-fuel opportunities**. After two cycles of development, NEEA's natural gas portfolio is more mature with three programs in development and in the market. The current natural gas portfolio strategy directs NEEA to focus on commercial/industrial products and dual-fuel systems across all sectors. In particular, emerging dual-fuel opportunities in the HVAC and water heating markets will require the alliance to continue to navigate complexities related to policy and organizational guidelines, savings measurability unknowns, and varied stakeholder drivers and needs.
- **Intersections with specially funded projects**. As the portfolio is expanding to include new areas of business, it will become increasingly important to map the current cycle strategic goals, understand the intersections and divergences among the various portfolios, and more fully integrate the projects into the overarching portfolio strategy and management.

Goals and Focus Areas: Electric Programs

- Increase regional adoption of heat pump water heaters through engagement with Northwest utilities and national stakeholders to ensure sustained adoption and support for the federal standard in the long term.
- Increase market share of ENERGY STAR v 9.1 TVs through a new incentive strategy via ENERGY STAR Retail Products Platform and promotion with retail partners.
- Enhance interventions with Hydraulic Institute and pump manufacturers to market smart pumps and make the Energy Rating label more useful to pump buyers and specifiers.
- Develop a strategy for the expansion of XMP – Pumps program to additional pump market segments and other clean water pump types not covered by DOE's Pump Energy Index and standard.
- Continue testing and refining interventions for the Efficient Fans program, with an eye toward entering the market development phase of NEEA's initiative lifecycle via a Regional Portfolio Advisory Committee vote in 2026.
- Launch Phase 2 of the Northwest Marketplace pilot. The Northwest Marketplace is an online platform that complements NEEA's work in consumer appliances making it easier for Northwest residents to find, compare, and purchase energy-efficient products online. Phase 2 of the pilot will test out some additional functionality of the platform and further develop the value proposition for Northwest utilities.

Goals and Focus Areas: Natural Gas Programs

- Deepen and expand manufacturer relationships to support and accelerate product development efforts on Efficient RTUs for the light commercial market.
- Continue testing gas heat pump and dual-fuel configurations in the Advanced Commercial Water Heating program, with an eye toward entering the market development phase of NEEA's initiative lifecycle via a Natural Gas Advisory Committee vote in late 2026 or early 2027.
- Conduct research to understand dual-fuel residential HVAC system performance and energy savings through demonstration projects and further inform target market and barriers.
- Advance at least one new dual-fuel or fuel neutral opportunity into the portfolio via a Natural Gas Advisory Committee vote.
- Leverage collaboration and investments from partners across North America, such as the GTI Emerging Technology Program and the North American Gas Heat Pump Collaborative.

Codes and Standards

Energy codes and equipment standards provide a unique and cost-effective opportunity to lock in energy savings and are the ultimate goal of many of NEEA's Market Transformation programs. NEEA works with state-level and national stakeholders, bringing together data, research and product performance information to advance codes and standards based on proven technologies that benefit the Northwest. Because they establish universal expectations that must be adopted by the market, codes and standards favoring efficiency are one of the most cost-effective ways to ensure widespread adoption of efficiency measures and provide benefits to all Northwest consumers.

2026 Context

Changing priorities at the Department of Energy related to federal standards, and related challenges, are continuing to create uncertainty. As a result, state-level standards will be increasingly important to maintain momentum on energy efficiency, product performance and affordability. With federal preemption limiting action on certain products, NEEA will increase its focus on state-level standards, particularly for load flexibility-enabled technologies and other non-restricted products. At the same time, building energy codes continue to evolve across the Northwest and at the national level. NEEA will continue working in all four Northwest states, providing tools, training, and resources to support code compliance and performance.

Goals and Focus Areas

Standards: In 2025, the U.S. Department of Energy (DOE) announced a new intention to roll back and in some cases eliminate federal standards for specific products. In 2026, NEEA staff will continue to participate in the public standards process and reinforce the value of standards for energy efficiency, product performance, and consumer affordability. As federal standards slow, NEEA will shift its focus to state standards for load flexibility enabled products and products that are not restricted due to federal preemption. Key focus areas include:

- Leverage every appropriate opportunity to provide data and technical analysis through the public feedback process to reinforce the value of appliance standards.
- Influence the future of federal appliance standards by partnering with manufacturers, energy efficiency organizations, and other key stakeholders.
- Expand the market for efficient products by increasing engagement with state-level standards and through continued engagement with voluntary specifications and agreements with manufacturers. These activities will offer a clear path for manufacturers and consumers in the absence of federal guidelines.
- Complete and/or update three to five codes and standards strategies in support of Market Transformation programs, load flexibility efforts, and other efficient products, and closely coordinate with program teams and the product management function to implement the strategies.

Code Development: NEEA staff support national and state code development by participating in the public processes that solicit code proposals, compliance and other market data, and analysis of energy savings and other benefits. In 2026, code development activities are expected to continue in each of the four Northwest states and at the national level with the International Energy Code Council (IECC). Most development work will be completed by the end of the year. NEEA staff will continue implementing planning (via code roadmaps) and tracking changes identified through recent evaluations and discussions with NEEA's Cost Effectiveness and Evaluation Advisory Committee and will use these plans to direct activities for code development. Key focus areas include:

- Increase the stringency of energy codes in each state and at the national level to maximize value for home buyers and commercial building owners.
- Complete code roadmaps prior to the beginning of each code development cycle.
- Finalize savings analysis of completed codes.

New Construction and Code Support: NEEA provides comprehensive support to regional and national code stakeholders, focusing on code implementation and overcoming market barriers. In 2026, NEEA will continue to offer training, educational materials, compliance tools, and code help hotlines in each Northwest state. In response to state code changes, NEEA staff will partner with utilities, the Regional Technical Forum, Bonneville Power Administration, and Energy Trust of Oregon to update the new construction performance path protocol and new construction program design options. Key focus areas include:

- Ensure residential and commercial websites as well as compliance tools are current, offer relevant content, and are secure. These include BetterBuiltNW, BetterBricks, Washington Code Portal, and code cookbooks. Both BetterbuiltNW.com and the Washington Code Portal (waenergycodes.com) will be updated in 2026 to provide better support for architects, engineers and builders and to enhance cybersecurity.
- Maintain tools and guidance to support utilities with their new construction programs and to provide a data stream to inform future code proposals.
- Increase participation in code training and collect feedback and information about the range of attendees.
- Execute compliance studies to validate effectiveness of code and NEEA's support activities including starting Oregon 2025 Commercial Code Compliance Evaluation.
- Begin Market Progress Evaluation Report #7 for NEEA's code program.
- Consider how to leverage new construction and code support resources to help support building owners who are navigating building performance standards in Oregon and Washington, as part of NEEA's specially funded commercial Whole Building project.

Analytics, Research and Evaluation

NEEA gathers, analyzes and shares data, information and insights on behalf of the region to assist decision-making and to demonstrate the progress and value of Market Transformation efforts. All of NEEA's Market Transformation programs are regularly evaluated by independent third parties to understand market influence, track progress and guide adaptive management approaches. NEEA's expertise in data and analytics drives the success of Market Transformation and provides the region with unique insights and objective information that support and strengthen shared energy efficiency efforts across the Northwest. NEEA also collects regional stock-level market data through large-scale studies to inform market strategies, assess progress and validate data used in reporting energy efficiency value metrics.

2026 Context

As the importance of data and research grows in shaping partnerships and influencing Market Transformation, NEEA will seek innovative methodologies, technologies and approaches to enhance data collection and analysis, and to address increasing challenges in recruiting for studies. Evolving regional needs, such as articulating the complex value of dual-fuel and load flexibility, will drive innovation in value reporting and planning. NEEA will

also refine evaluation approaches to remain aligned with best practices and funder expectations, ensuring that market progress is measured effectively and transparently. In 2026, NEEA will continue to advance and deliver on NEEA's core work of transforming markets for energy efficiency, and work on advancing its Strategic Plan goals.

Goals and Focus Areas

Data Strategy: NEEA's Data Strategy team is responsible for strategic data management and analysis, data engineering, and system development efforts to ensure Market Transformation is activated by access to high quality, cost effective, market data, tools and supplemental analysis. The team maintains data pipelines across the portfolio, and provides end-to-end data services, which have enabled a significant increase in data quality and integrity over the last few years while delivering efficiencies for the region. In 2026, the team will begin to expand data and market intelligence products to support broader regional priorities. Key 2026 focus areas include:

- Optimizing data across Water Heating, HVAC and Retail Products to increase efficiency and value of data.
- Developing strategic insights to enhance market partner relationships and explore additional data set access and development for regional stakeholders.

Market Analysis, Planning and Reporting: The Market Analysis and Planning team delivers innovative, high-quality and objective analyses that enable, advance and monitor Market Transformation toward an energy-efficient Northwest. The team provides analysis of Market Transformation adoption, energy savings and cost effectiveness to support the program's strategic decision-making as well as corporate and funder reporting needs. In 2026, the team will identify and fulfill analytical needs related to the markets we operate in and continue to report on co-created energy savings. Key 2026 focus areas include:

- Working collaboratively with internal and external stakeholders to develop, collect and analyze key data sets from market partners to inform strategic and operational decision making and to report energy savings.
- Organizing and enhancing all data files and workflows to better support internal and external reporting requirements and streamline processes, as well as support the development of standard assumptions through analysis, organization and data storage.
- Developing metrics and processes to account for value streams related to innovative new projects such as End-Use Load Flexibility and Dual-Fuel Market Transformation opportunities, enabling a clearer understanding of associated value streams and informing future strategies that support energy savings.
- Reviewing the draft 9th Power Plan to understand its impact for NEEA initiatives and funders, including impacts on cost-effectiveness calculations, technical achievable and peak energy savings, and alignment of NEEA's portfolio strategy and metrics with Power Plan targets.

Market Research and Evaluation: To measure market progress and influence over more than 25 years, NEEA has developed and continually refined an approach to evaluating Market Transformation that is grounded in industry best practices. NEEA conducts its evaluation and market research activities in a transparent manner, with all evaluations available to the public on neea.org. Methodologies are reviewed with the Cost Effectiveness and Evaluation Advisory Committee. Key 2026 focus areas include:

- Managing over 30 market research and evaluation studies to support Market Transformation programs, codes & standards efforts, and to guide strategies and new opportunities within NEEA's electric and natural gas portfolios. See "Appendix D: 2026 Market Research and Evaluation Calendar for a detailed list".
- Fielding Market Progress Evaluation Reports for seven NEEA programs to refine program strategy, provide evidence of market influence and support efforts to capitalize on savings opportunities in key markets, including for building energy codes, consumer products, and pumps.
- Conducting market research to better identify the barriers and opportunities (e.g., supply chain dynamics, community and market insights) that affect how energy efficiency benefits reach all consumers throughout the Northwest.
- Providing actionable insights into the development of regional special projects through the delivery of timely and high-quality research deliverables. These special projects are supported via special funding agreements and include the End-Use Load Flexibility and Whole Building projects.

Regional Studies: NEEA's stock assessments, which are conducted approximately every five years, and the specially funded End-Use Load Research (EULR) study support the region's need for detailed information on the characteristics and energy use of buildings and their installed equipment. The information gathered from these studies helps uncover, measure, size, track and plan for new opportunities in NEEA's Market Transformation portfolio and utility energy efficiency programs. It is also a key source of information for the Power Council's 20-year Power Plan and the Regional Technical Forum's energy efficiency measures. In addition, the information is used by electric and natural gas utilities to inform their conservation potential assessments and integrated resource plans. Key 2026 focus areas include:

- Publishing results from the 2025 Commercial Building Stock Assessment (2025 CBSA) on neea.org. This will include data, findings, and guidance for data users.
- Recruiting industrial facilities for the Motor System Stock Assessment (MSSA) to collect the number and type of motors at these facilities through in-person site visits.
- Developing and testing study design and recruitment approaches for the 2027 Residential Building Stock Assessment (2027 RBSA) and starting recruitment and on-site building and installed equipment characteristic data collection.
- Conduct analysis of the Commercial Energy Metering Study and Home Energy Metering Study data and report findings to EULR funders.
- Solicit funder input on whether there's a value proposition that aligns with regional needs to better quantify the location, number, size, and type of commercial and multi-family buildings in the region by expanding the virtual listing done in the 2025 CBSA from 90 US Census Tracts to a larger sample or a full census of Tracts.

Convene and Collaborate

Through committees and annual events, NEEA creates opportunities for regional energy efficiency stakeholders to share information and best practices and align on alliance priorities. These activities enable the region to move the market faster and more efficiently than any one organization could do alone. NEEA's Convene and Collaborate work is led by the Corporate Strategy, Relationships and Communications Division.

2026 Context

In 2026, the alliance will celebrate its 30-year anniversary. Supporting and communicating NEEA's value proposition through external communications and funder engagement remains a key focus. As NEEA's work expands into new areas like load flexibility and dual-fuel technologies, the need for collaboration to support regional alignment will grow. To ensure successful execution of these emerging areas, and offset additional resource demands, the organization will leverage new tools to support collaboration and drive efficiency.

Goals and Focus Areas

Corporate Communications: Corporate Communications oversees external and internal communications, executes corporate events, manages annual and quarterly corporate reporting, and supports organizational alignment of internal strategic initiatives. Key 2026 focus areas include:

- Demonstrating progress on NEEA's Cycle 7 goals through annual and quarterly corporate reporting that delivers clear, consistent, and streamlined information to stakeholders.
- Convening the region through large-scale events, such as the annual Leadership in Energy Efficiency Awards and Efficiency Exchange Conference, which provide opportunities for energy efficiency professionals to share information and best practices, network, and recognize and be recognized by their peers.
- Communicating alliance activities in all four Northwest states to increase awareness and understanding of NEEA's work and to help stakeholders leverage NEEA's expertise, tools, and information to advance energy efficiency.

Corporate Strategy & Stakeholder Relations: Corporate Strategy responsibilities include leading enterprise-wide planning initiatives, helping the organization identify and align around short and long-term goals, and tracking and communicating developments in regional and national energy policy. Stakeholder Relations responsibilities include facilitating NEEA's advisory and coordinating committees and working with NEEA staff to enable effective regional collaboration. Key 2026 focus areas include:

- Increasing visibility into critical policy developments to ensure portfolio alignment with state and national priorities and identify opportunities driven by new policies.
- Distilling and delivering actionable insights to staff to ensure programs and activities are aligned with funder needs within a rapidly changing policy and energy system landscape.
- Continuing to manage high-functioning stakeholder forums to support regional coordination and collaboration and help the region align around new and emerging areas of value delivery (e.g., load flexibility, dual-fuel products, regional marketplace, etc.).

Administration

NEEA's Business Administration and Human Resources functions support the people, processes and technology required by NEEA staff to effectively achieve annual and five-year goals. Ensuring that internal processes and technologies are efficient, streamlined and compliant allows NEEA staff to operate proficiently, efficiently and flexibly across all Market Transformation work.

2026 Context

Special funding efforts, contract complexity, evolving technology, including AI integration, talent development, and organizational structure changes will stretch Administration divisions to meet business needs in 2026. As AI tools become more embedded in HR and operations, NEEA must monitor efficiency and ethical use to ensure these needs are met responsibly and within the Business Plan budget.

Goals and Focus Areas

Business Administration: Business Administration provides key shared services for business partners within NEEA, as well as for vendors and external stakeholders. The division is comprised of three teams: Information Technology (IT), Finance and Accounting, and Contracts and Legal. Key 2026 focus areas include:

- Implementing key infrastructure and tools improvements, including review/upgrade of several key Business Administration systems.
- Continuing to improve cybersecurity, leveraging the NIST Framework.
- Supporting increased volume and breadth of NEEA program work in an efficient and effective manner.
- Continuing to protect NEEA's Intellectual Property and ensure proper attribution for Market Transformation work.

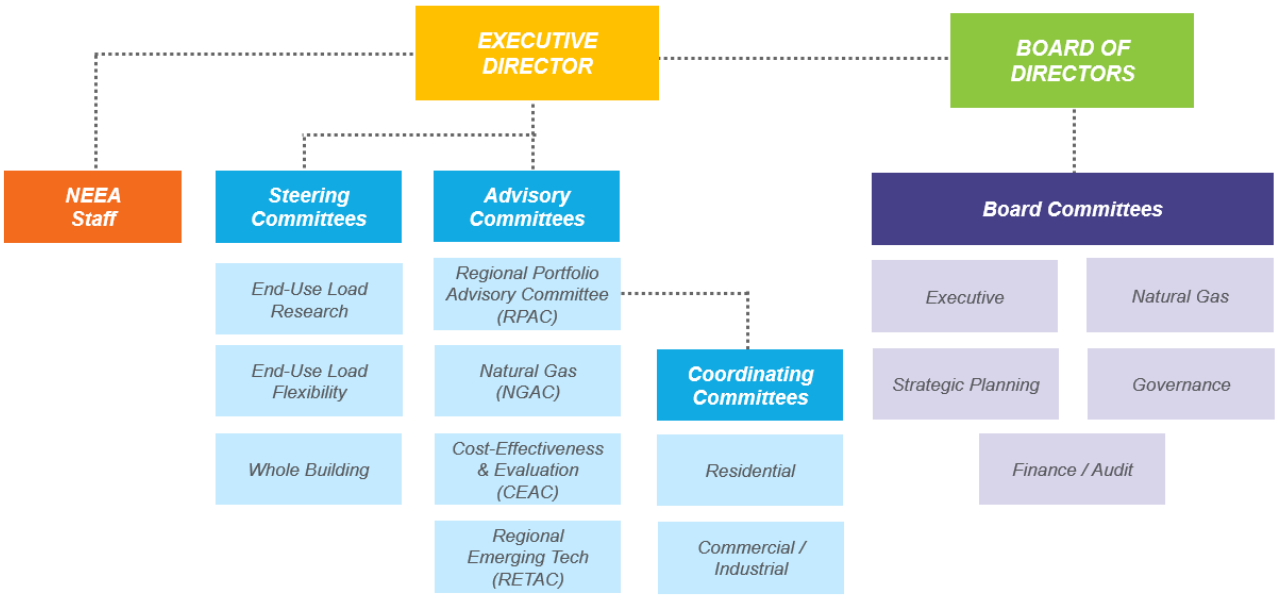
Human Resources: Human Resources is responsible for recruiting and retention, employee engagement and career development, and facilities management. Key 2026 focus areas include:

- Developing a change management center of excellence (COE).
- Creating succession plans and talent development models, such as Market Transformation Learning.
- Supporting an evolving workforce (facilities, culture, communications, etc.).

Governance

NEEA staff facilitate a robust collaboration process to ensure that regional input is considered in alliance program planning and decision-making. This coordination happens at many levels throughout NEEA and funder organizations and includes NEEA's Board of Directors as well as Board committees (see Figure 1).

Figure 1 – Alliance Governance and Committee Structure



NEEA Leadership Team

EXECUTIVE DIRECTOR: Becca Yates

- Kyle Burchard, Vice President, Business Administration
- Jeff Harris, Chief Transformation Officer
- Nathan Martinez, Director, Market Analytics, Research and Evaluation
- Virginia Mersereau, Vice President, Corporate Strategy, Relationships and Communications
- Emily Moore, Director, Market Strategy and Execution
- Lindsey Prout, Director, Human Resources
- Mark Rehley, Director, Codes, Standards and Emerging Technology
- Stephanie Rider, Director Portfolio Management
- Becky Walker, Chief Program Officer

2026 Operations Plan Budget

Table 1 – Comparison with 2025-2029 Business Plan by Workstream ($ Thousands)

	Electric			Natural Gas			Non-core Funding		
Workstream	**Years 1-2**	**5-Year Budget**	**% of 5 Year**	**Years 1-2**	**5-Year Budget**	**% of 5 Year**	**Years 1-2**	**5-Year Budget**	**% of 5 Year**
Emerging Technology	6,254	17,733	35%	1,783	3,027	59%	1,436	0	0%
Market Strategy & Execution	32,467	91,005	36%	5,269	17,494	30%	2,905	20,132	14%
Codes & Standards	6,674	16,952	39%	538	1,283	42%	17	0	0%
Analytics, Research & Evaluation	20,075	48,552	41%	2,667	5,333	50%	2,329	1,914	122%
Convene & Collaborate	5,018	11,910	42%	21	75	28%	874	0	0%
Admin	14,449	36,789	39%	0	0	0%	117	0	0%
Allocation of Shared Services[3]	-4,091	-11,141	37%	2,543	6,088	42%	1,548	5,053	31%
TOTAL	**80,847**	**211,800**	**38%**	**12,822**	**33,300**	**39%**	**9,226**	**27,099**	**34%**

Additional detail:

- This table provides an overview of NEEA's expenses two years into the business cycle. Variations between workstreams are driven by the timing of key pieces of work.
- NEEA's Cycle 7 Business Plan included a placeholder budget for non-core funding which had yet to be secured. As these projects are being executed, contracted dollars are aligning differently between the workstreams.

[3] Shared Services = Convene and Collaborate and Administration

Table 2 – 2025 Forecast vs. 2026 Operations Plan Budget
By Functional Expense ($ Thousands)

	2025 Forecast				2026 Budget				
	Electric	Natural Gas	Non-core Funding	Total	Electric	Natural Gas	Non-core Funding	Total	Variance Y/Y (%)
Salary & Benefits	14,969	1,656	1,342	17,968	16,744	2,316	1,481	20,540	14%
G&A Professional Services	1,102	0	10	1,112	1,130	0	0	1,130	2%
Equipment & Software	803	3	0	806	736	0	0	736	-9%
Travel & Professional Development	660	38	25	723	864	42	12	918	27%
Corporate Communications	308	0	0	308	366	0	0	366	19%
Depreciation	565	0	9	574	478	0	9	487	-15%
Facilities & Other	1,241	19	29	1,289	1,243	16	10	1,269	-2%
Allocation of Shared Services[4]	-1,942	1,091	851	0	-2,149	1,452	697	0	0%
Sub-Total G&A	2,737	1,151	924	4,811	2,669	1,510	728	4,907	2%
Programs/ Projects	20,864	2,854	2,729	26,448	22,864	3,335	2,023	28,222	7%
Total Expenses	**38,570**	**5,661**	**4,995**	**49,227**	**42,277**	**7,161**	**4,231**	**53,668**	**9%**

Variance Drivers:

- Salaries and benefits are increasing year-over-year to reflect new hires made in 2025 to align with the new business cycle. All planned new positions were hired in 2025 with no additional headcount included in the core 2026 budget.
- Professional development was underspent in 2025 as NEEA revisited its internal strategy. The 2026 budget reflects a return to typical level of activity.
- Year-over-year increase in corporate communications expenses is largely due to the rescheduling of some planned 2025 expenses into 2026.

[4] - Shared Services = Convene and Collaborate and Administration

Table 3 – 2026 Operations Plan Electric Budget
By Workstream ($ Thousands)

Workstream	Expense Type	2025 Forecast ($)	2026 Budget ($)	% of Total 2026 Budget	Y/Y Variance ($)	Y/Y Variance (%)
Emerging Technology (ET)	Labor & G&A	1,233	1,416	3%	183	15%
	Direct	1,809	1,797	4%	-12	-1%
	TOTAL ET	3,042	3,213	8%	171	6%
Market Strategy & Execution (MSE)	Labor & G&A	4,284	4,786	11%	502	12%
	Direct	10,875	12,523	30%	1,648	15%
	TOTAL MSE	15,159	17,308	41%	2,149	14%
Codes & Standards (C&S)	Labor & G&A	1,017	1,092	3%	75	7%
	Direct	2,430	2,135	5%	-295	-12%
	TOTAL C&S	3,447	3,227	8%	-220	-6%
Analytics, Research & Evaluation (ARE)	Labor & G&A	3,711	4,313	10%	602	16%
	Direct	5,674	6,377	15%	704	12%
	TOTAL ARE	9,385	10,691	25%	1,306	14%
Convene & Collaborate (C&C)	Labor & G&A	2,277	2,633	6%	356	16%
	Direct	76	32	0%	-44	-58%
	TOTAL C&C	2,353	2,665	6%	312	13%
Admin	Labor & G&A	3,568	3,871	9%	302	8%
	Direct	3,558	3,451	8%	-107	-3%
Allocation of Shared Services		-1,942	-2,149	-5%	-207	11%
	TOTAL ADMIN	5,185	5,173	12%	-12	0%
TOTAL		**38,570**	**42,277**	**-**	**3,707**	**10%**

Variance Drivers:

- Increase in direct costs for Market Strategy and Execution is in line with expected ramp up of new work for this business cycle.
- Codes and Standards direct costs are decreasing due to less code activity in 2026 compared to 2025 due to the code cycles.
- Analytics, Research & Evaluation direct cost increases reflect the timing of the stock assessments.
- 2025 Labor reflects vacancies not recurring in 2026.

Table 4 – 2026 Operations Plan Natural Gas Budget by Workstream ($ Thousands)

Workstream	Expense Type	2025 Forecast ($)	2026 Budget ($)	% Total of Natural Gas Budget	Y/Y Variance ($)	Y/Y Variance (%)
Emerging Technology (ET)	Labor & G&A	168	297	4%	130	77%
	Direct	875	498	7%	-377	-43%
	TOTAL ET	1,043	795	11%	-248	-24%
Market Strategy & Execution (MSE)	Labor & G&A	1,064	1,319	18%	254	24%
	Direct	1,026	1,795	25%	769	75%
	TOTAL MSE	2,090	3,114	43%	1,023	49%
Codes & Standards (C&S)	Labor & G&A	54	115	2%	61	113%
	Direct	180	200	3%	20	11%
	TOTAL C&S	234	315	4%	81	35%
Analytics, Research & Evaluation (ARE)	Labor & G&A	427	643	9%	216	51%
	Direct	763	834	12%	71	9%
	TOTAL ARE	1,190	1,478	21%	288	24%
Convene & Collaborate (C&C)	Labor & G&A	3	0	0%	-3	-100%
	Direct	10	8	0%	-2	-22%
	TOTAL C&C	13	8	0%	-5	-40%
Admin	Labor & G&A	0	0	0%	0	0%
	Direct	0	0	0%	0	0%
Allocation of Shared Services		1,091	1,452	20%	361	33%
	TOTAL ADMIN	1,091	1,452	20%	361	33%
TOTAL		**5,661**	**7,161**		**1,499**	**26%**

Variance Drivers:

- Natural gas efforts are expanding to meet planned portfolio growth; one new program was added in 2025, and another is planned for 2026.
- Increased labor in gas portfolio across workstreams reflects dedicated hiring and also increased allocation of shared resources to support the addition and advancement needs of the growing portfolio.
- Emerging Technology direct costs are lower in 2026 because work for the Dual-fuel Residential HVAC program is now accounted for in Market Strategy and Execution.

Table 5 – 2025 Forecast vs. 2026 Market Strategy and Execution Budget
Direct Expenses by Product Group ($ Thousands)

Product Group	Program/ Initiative	Electric ($)			Natural Gas ($)		
		2025 Forecast	2026 Budget	Net Change ($)	2025 Forecast	2026 Budget	Net Change ($)
Consumer Products	Consumer Products Strategy	0	360	360	0	0	0
	Retail Product Portfolio	2,604	3,100	496	0	0	0
	Total Consumer Products	2,604	3,460	856	0	0	0
HVAC	Efficient Rooftop Units			0	475	525	50
	Dual-Fuel Residential HVAC	0	0	0	0	555	555
	High-Performance HVAC	979	1,050	71	0	0	0
	Advanced Heat Pumps	1,150	1,250	100	0	0	0
	New Initiative	0	0	0	0	200	200
	Total HVAC	2,129	2,300	171	475	1,280	805
Lighting	Luminaire Level Lighting Controls	1,368	1,000	-368	0	0	0
	Total Lighting	1,368	1,000	-368	0	0	0
Motor-Driven Systems	XMP – Pumps	1,392	1,900	508	0	0	0
	Efficient Fans	82	390	308	0	0	0
	Motor-Driven Systems Strategy	0	30	30	0	0	0
	Total Motor-Driven Systems	1,474	2,320	846	0	0	0
Water Heating	Advanced Commercial Water Heating	0	0	0	551	515	-36
	Heat Pump Water Heater	2,264	2,461	196	0	0	0
	Water Heating Strategy	35	35	0	0	0	0
	Total Water Heating	2,299	2,496	196	551	515	-36
Infrastructure	BetterBricks	505	450	-55	0	0	0
	Integrated Design Labs	497	497	0	0	0	0
	Total Infrastructure	1,001	947	-55	0	0	0
TOTAL		**10,875**	**12,523**	**1,648**	**1,026**	**1,795**	**769**

Variance Drivers:

- Consumer Products:
  - Strategy – Launching Phase II of Northwest Marketplace Pilot
  - Retail Products Portfolio – Expanding program activities to drive market acceleration (e.g., TVs, addition of new retailers, exploration of Pro Channel)
- HVAC:
  - Dual-fuel Residential HVAC – As a new program in the portfolio, executing program development activities in 2026.
- Lighting:
  - LLLC – Decreasing marketing activities in 2026 and focusing on targeted engagement with manufacturer representatives.
- Motor-Driven Systems:
  - Pumps – Expanding distributor network to drive market acceleration and increasing engagement upstream to market smart pumps.
  - Fans – Planning for program advancement in 2026

Table 6 – 2026 Non-core Funding Budget
By Project ($ Thousands)

Table 6 reflects contracted or anticipated projects at the time of the 2026 Operations Plan. Expenses and associated revenue from special projects are reviewed quarterly by the Board's Finance and Audit Committee. Please note: Non-core funding includes special projects identified in the Cycle 7 Business Plan and other strategic engagements that have their own funding source. Expenses are 100% covered by special funding agreements.

Non-core Funding	Expense Type	Electric ($)	Natural Gas ($)	Total ($)
End-Use Load Research	Labor & G&A	223	0	223
	Direct	527	0	527
End-Use Load Flexibility	Labor & G&A	1,139	0	1,139
	Direct	946	0	946
Whole Building	Labor & G&A	814	0	814
	Direct	230	0	230
Other Strategic Engagements	Labor & G&A	33	0	33
	Direct	320	0	320
Total		**4,231**	**0**	**4,231**
All Non-core Funding	Labor & G&A	2,208	0	2,208
	Direct	2,023	0	2,023

Comments:

- *End-Use Load Flexibility budget is an estimate based on the most recenter version (V3) of the draft strategic and business plan. Note, this business plan does not have committed funding at the time this plan was published.*

Appendix A: Program Activities

Appendix A is organized by **Product Group:** Consumer Products, HVAC, Lighting, Motor-Driven Systems, and Water Heating. Each Product Group includes a summary of the focus areas and strategic engagements with industry partners and organizations that are critical to achieving NEEA's Market Transformation goals. These are followed by detailed program plans, which are tailored according to the Initiative Lifecycle (ILC) phase of that program (see graphic below). Each phase of the ILC has a distinct purpose and associated objectives. As programs move through the ILC, goals, objectives and strategies evolve.

Initiative Lifecycle

Concept Development: The purpose of this phase is to develop a logical Market Transformation concept for the product or practice as well as a reasonable estimate for savings. Given the preliminary nature of this work, staff do not typically prepare in-depth annual operations plans for opportunities in Concept Development.

Program Development: The purpose of this phase is to validate confidence in the product or practice attributes, market opportunity, savings potential and mechanism for diffusion. Using these inputs, NEEA staff develop a viable, scalable Market Transformation program and identify opportunities to accelerate the path to Market Development. In this phase, staff do not yet have enough information to develop total regional or co-created savings estimates, so they rely on 20-year potential savings to estimate program opportunities.

Market Transformation

- **Market Development:** The purpose of this phase is to create lasting market change through direct market interventions designed to remove barriers, leverage market opportunities and tap influencers and existing channels for diffusion. Interventions are strategic, planned and adaptively managed as market dynamics change and more information is gained. During annual planning, NEEA staff look for the most impactful market levers and activities that could bolster or accelerate the achievement of alliance Market Transformation goals. It is in this phase of the ILC that energy savings are estimated and reported to the region.
- **Market Diffusion:** The purpose of this phase is to monitor and track market diffusion after NEEA has withdrawn active intervention in the market and to estimate and report energy savings associated with alliance market activities. The budget for this work falls within the Analytics, Research and Evaluation workstream.

Product Group: Consumer Products

The Consumer Products Product Group focuses on transforming the market for consumer plug load products found in the home. The work of this Product Group considers the entire supply chain including suppliers, manufacturers, distributors, physical and online retailers, contractors, and installers delivering consumer products to end customers who purchase them. There is currently one program in the Consumer Products Product Group, the Retail Product Portfolio (RPP).

As outlined in the RPP section below, the program focuses on the highest energy-saving opportunities among consumer appliances and electronics sold in the region. RPP influences the market through work on emerging technology, mid-stream national retailer incentives, improved test procedures, strengthened mandatory and voluntary specifications and collaboration with extra-regional influencers and industry players including ENERGY STAR®, ENERGY STAR Retail Products Platform (ESRPP) sponsors, retailers, manufacturers, advocates and technology experts.

In the coming year, Consumer Products Product Group strategic priorities include:

1. **Focusing efforts on the largest Northwest consumer product energy savings opportunities for Cycle 7 (2025-2029) followed by longer term opportunities that will impact Cycle 8 (2030 – 2034)**. This includes television, refrigerator, dryer and heat pump water heater (HPWH) collaboration opportunities with nearer-term potential, and work on longer-term, more nascent opportunities such as room heat pumps and digital retail signage displays. For HPWH, ESRPP provides the opportunity to engage with big box retailers and increase HPWH availability and sales at retail.
2. **Improving understanding of Consumer Products ecosystem and influences**. In 2026, the team will explore sales channels selling consumer appliances to professional builders and building maintenance buyers (also known as Pro Channel), as well as other consumer influencers like Consumer Reports, consumer shopping trends, and online retailing.
3. **Identifying and monitoring longer-term emerging technology opportunities, including room heat pumps, signage displays, and commercial dryers**. In the case of room heat pumps, it will be important to understand product roadmaps and addressable market size for those products in the Northwest to then model the naturally occurring baseline and estimate potential energy savings.
4. **Contributing to identification of consumer product load flexibility opportunities**, such as ENERGY STAR Smart Home Energy Management System and other Smart Home developments.
5. **Launching phase 2 pilot of the online Northwest Marketplace on the Enervee platform**. The multi-year phase 2 pilot will enhance the functionality of the site, tailor it to participating alliance members and measure the impact of this region-wide resource intended to make identifying and buying energy-efficient consumer products easier for Northwest residents.

Section 1 – Strategic Engagements

Organization	Value to the Northwest	Relevant Program or Opportunity
Consumer Reports	Supports consumers in making informed purchasing decisions. NEEA is exploring the level to which Consumer Reports influences consumer purchasing behavior to identify opportunities to influence and accelerate the path to purchase through this channel.	Consumer Products
Consumer Technology Association (CTA)	Supports consumer electronic specification and test procedure development.	RPP
Enervee	Improves the efficient product shopping experience for Northwest consumers. NEEA is planning a phase 2 pilot for the Northwest Marketplace to further test utility-specific functionality and assess impact.	Consumer Products
EPA ENERGY STAR	Accelerates Northwest energy savings by collaborating with EPA to inform and influence ENERGY STAR specifications. Ensures that specifications reflect regional priorities, supporting the availability of efficient products that align with Northwest needs.	RPP
Major Consumer Products Manufacturers	Enables market influence and opportunities with leading manufacturers, such as Samsung and Whirlpool, to support RPP program goals.	RPP
Major Retailers	Creates opportunities for tailored influence across product categories and sales channels through long-term relationships with major retailers such as Best Buy and The Home Depot.	RPP
Market Transformation Administrators	Supports information sharing and increases market influence by aligning multi-regional Market Transformation efforts.	RPP
Northwest State Standards Bodies	Expands opportunity for regional impact by exploring opportunities for state-level influence in response to slowdown in federal standards.	RPP
U.S. Department of Energy (DOE)	Ensures national standards reflect Northwest market conditions and priorities by providing region-specific data to inform and influence federal standards.	RPP
U.S. Environmental Protection Agency (EPA) ENERGY STAR Retail Product Platform (ESRPP)	NEEA administers the national ESRPP program, which Strengthens the Northwest's influence in shaping national retail and manufacturing practices. Expands regional access to energy-efficient products through collaboration with national manufacturers on efficient product promotion and stocking strategies, in turn accelerating Northwest energy savings.	RPP

Program Name: Retail Product Portfolio

ILC Phase: Market Development

Executive Summary – The Retail Product Portfolio (RPP) program partners with utility organizations and national retailers through the ENERGY STAR Retail Products Platform (ESRPP) to influence corporate retail buyer's purchase decisions and give the alliance access to full-category sales data. By providing midstream incentives, the alliance encourages retailers to purchase, stock, and promote higher efficiency products. Retailers provide data that allows NEEA to identify the most promising energy efficiency opportunities and gain insights to influence the stringency of ENERGY STAR specifications and the advancement of federal standards. The RPP program works to drive sales of efficient consumer appliances and electronics sold through national retailers. Consumer products as a category represent a technically achievable potential of 400 aMW of energy savings over 20 years for the Northwest.

In 2026, the RPP program is forecasted to deliver significant energy savings in three product categories: televisions, refrigerators and dryers. While recent federal policy developments have limited short-term progress on advancing specifications and standards, opportunities remain to improve the market penetration of ENERGY STAR TVs through retail engagement and promotional strategies, more accurately measure and promote energy savings of advanced refrigeration technologies and explore potential improvements to heat pump dryer products that could increase consumer acceptance of this technology. Additionally, heat pump water heaters (HPWHs) were added to the midstream incentive program creating opportunity for collaboration between NEEA's RPP and HPWH program teams to support retail channel expansion for HPWH products.

Continued collaboration with national energy efficiency organizations remains critical to program success. As administrator of the national ESRPP program, the team will ensure ESRPP sponsor satisfaction by working closely to ensure sponsor's program needs are met or exceeded. Additionally, the team will work to strengthen retail partnerships via targeted activities to increase specific product category success, such as promotional campaigns, in-store displays or sales associate incentives. The team will also coordinate with NEEA's Emerging Technology team to assess the readiness of room heat pumps for the RPP program and explore the potential of adding this as an ESRPP product category in the future. Finally, the program will support NEEA's standards team in efforts to advance product standards.

Section 1 – Program Overview

Market Transformation Theory	Highly efficient products have not been widely promoted by retailers and adopted by consumers because the efficiency of appliances and electronics is not a top consideration of corporate retailer buyers, and the benefits of energy savings are often too small to impact many consumers' choices. NEEA's RPP program is working with extra-regional program administrators, national retailers and EPA's ESRPP to influence corporate retail buyer's purchase decisions through midstream incentives and gain access to full category sales data. These incentives encourage retailers to purchase, stock and promote higher-efficiency products. RPP analyzes the full category sales data to identify the most promising energy efficiency opportunities and leverages the insights gained from the data analysis to influence increased stringency of ENERGY STAR specifications and federal standards. These actions cause a permanent change to the manufacturing processes across entire product categories, resulting in energy savings for years to come.

Current Market Barriers and Opportunities	**Barriers:** • Prioritization: Corporate retail buyers often focus on and prioritize other product factors outside of energy efficiency when making decisions. • Consumer purchasing behavior: Energy savings benefits are often too small to impact many consumers' choices. **Opportunities:** • Support current and voluntary specifications and test procedures and prepare for future advances in TVs, dryers and refrigerators to encourage manufacturers to develop more efficient products. • Respond to RPP partner retailer feedback indicating customer interest in energy efficiency by exploring ways to strengthen marketing and stocking of energy-efficient products and advance adoption of energy-efficient products. • Continue facilitation of ESRPP to guide advances in program effectiveness and inform product category selection.
Accomplishments	• Achieved 75% increase in the number of ENERGY STAR version 9.1-certified TV models, reaching 152 by the end of Q2 2025. • Achieved <=1-watt standby operating power for 567 TV models, providing an estimated 1.3 aMW in savings for 2024. • Gained sponsor approval to include TVs in the ESRPP product portfolio for the next program year. • Obtained strong engagement with Costco to support stocking and promoting ENERGY STAR TVs. • Added HPWHs to the ESRPP product portfolio, with 9 utility sponsors, including NEEA, now offering midstream incentives. • Added Dominion, Virginia, North Carolina and CalMTA to the ESRPP program in 2024, and sponsor participation remains stable with 31% of U.S. households represented. • Partnered with Best Buy to run an ENERGY STAR TV ad campaign on their website and social media sites. The campaign drove a measurable increase in ENERGY STAR TV purchases, with 9.2% of customers who visited the ad page choosing an ENERGY STAR model, more than triple the estimated 3% market share of ENERGY STAR TVs. • Supported ENERGY STAR's laundry specification development by providing data from NEEA's Field Laundry Study and submitting a comment letter on V1 Draft specifications.

Section 2 – Goals & Activities

2026 Goals	Critical Activities	Target	Threshold
Advance heat pump dryer and refrigerator readiness for further market adoption in Cycle 7. *Opportunity:* *Product categories such as TVs, refrigerators, heat pump dryer technology have opportunities for near-term savings without*	• Conduct research to identify refrigerator test procedure modifications that recognize the benefit of advanced control systems and identify and validate existing savings in units that employ these systems. • Use refrigerator learnings to increase market share of advanced efficient technologies.	• Initiate testing of refrigerators by Q2 2026. • Produce initial insights on product updates for heat pump	Complete one of the following activities: • Initiate testing of refrigerators by Q2 2026. • Produce initial insights

2026 Goals	Critical Activities	Target	Threshold
need for new specifications or standards.	• Conduct product research to address consumer reported barriers to adoption with a goal of further penetrating the heat pump dryer market.	dryers by Q4 2026.	related to product improvements for heat pump dryers by Q4 2026.
Develop TV category opportunities to expedite market adoption of the new ENERGY STAR specification level and increase RPP savings. *Barriers addressed:* *Energy efficiency is not a top consideration of corporate retail buyers. The benefits of energy savings are often too small to impact many consumers' choices.*	• Develop action plans for accelerating the market penetration of ENERGY STAR v9.1 for TVs beyond current program goals. • Launch midstream incentive program for ENERGY STAR TVs. • Explore oppotunities to partner with at least one TV retailer to promote ENERGY STAR TVs in the Northwest.	• Develop an action plan to accelerate ENERGY STAR TV market share by Q2 2026. • Add TV incentives to ESRPP by Q3 2026.	Develop an action plan to accelerate ENERGY STAR TV market share by Q2 2026.
Strengthen relationships with key partners to maintain and improve long term program success. *Barriers addressed:* *Energy efficiency is not a top consideration of corporate retail buyers. The benefits of energy savings are often too small to impact many consumers' choices.*	• Ensure existing ESRPP sponsors continue to support the program through annual feedback on program satisfaction and desired improvements. Follow through on addressing the most popular desired improvements. • Identify at least one collaborative marketing/sales effort with retailers to advance specific ESRPP product categories other than TVs. • Research and scope the opportunity associated with key partners Pro Channel divisions and work with these partners to determine feasibility of developing a strategy suited to this channel.	• Identify one collaborative marketing sales effort with retailers by Q2 2026 to implement in 2027. • Scope opportunity with Pro Channel and develop recommendations by Q3 2026.	Identify one collaborative marketing sales effort with retailers by Q2 2026 to implement in 2027.

Product Group: HVAC

The HVAC Product Group is comprised of the supply chain that manufactures, distributes, specifies, designs and installs commercial and residential HVAC products, as well as the end consumers who purchase them. There are four programs in the HVAC Product Group, two of which are in the electric portfolio: Advanced Heat Pumps and High-Performance HVAC. The other two are in the gas portfolio: Dual-Fuel Residential HVAC and Efficient Rooftop Units (Efficient RTU).

To achieve the Product Group vision to reduce newly installed HVAC systems' energy use by 30% and ensure Northwest HVAC loads in residential and commercial buildings do not continue to increase, the Product Group remains focused on two strategic priorities: 1) Accelerate the Market Transformation impact of NEEA's HVAC portfolio; and 2) Grow and leverage valued market and efficiency community partnerships.

1. **Accelerate portfolio impact** by implementing interventions for long-term Market Transformation while delivering early energy efficiency and peak load reduction. Key 2026 focus areas include:
    - Focusing Efficient RTU program interventions on products available today to build market awareness and demand and improve manufacturer interest in offering more compliant products. The team is exploring expansion to include heat pump RTUs to the program in an effort to increase Market Transformation leverage, capture efficiencies from program work to date, and potentially deliver savings for both fuels.
    - Influencing the development of Dual-Fuel Residential HVAC system configurations that include high-performance heat pumps and grid-enabled controls that can switch between fuels to optimize performance while managing grid impacts.
    - Conducting High-Performance HVAC program activities that increase support for hydronic system designs that employ very high efficiency dedicated outdoor air system (DOAS) principles. Gas hydronic solutions are a common system type that could create an additional pathway for building awareness and market capabilities. Electric hydronic heating/cooling systems are becoming a popular alternative to variable refrigerant flow heat pump systems.
    - Growing adoption of advanced heat pumps improvements with manufacturers, program specifiers, and other strategic market partners. Continue to build the value proposition through field and market research and develop high-quality communications around low load efficiency, connected commissioning, and cold climate capable heat pumps that minimize supplemental heat.
    - Partnering closely with the End-Use Load Flexibility team to identify and pursue peak capacity and other load flexibility benefits through existing programs.

2. **Grow valued partnerships** by collaborating internally and externally with market and efficiency community partners. Focus areas for 2026 include:
    - Developing relationships and strategies to collect sufficient HVAC sales data to build a representative model of key technologies within the commercial market across the four-state region.
    - Partnering with NEEA's Codes and Standards teams to increase the alliance's HVAC programs presence and influence in specifier guidance and the development of national code, test procedures, and metrics via national organizations including ASHRAE, International Energy Conservation Code (IECC), Air Conditioning Heating and Refrigeration Institute (AHRI) and the U.S. Department of Energy (DOE).

Section 1 –Strategic Engagements

Organization	Value to the Northwest	Relevant Program or Opportunity
Advanced Heat Pump Coalition	Promotes alignment and support for advanced heat pump improvements in the North American utility/ efficiency community, increasing shared influence on manufacturers, specifications and standards.	Advanced Heat Pumps, Dual-Fuel Residential HVAC
AHRI	Supports the development of proposed ratings and test procedures to DOE. NEEA also purchases AHRI data in support of HVAC sales data collection.	Advanced Heat Pumps, Dual-Fuel Residential HVAC HVAC sales data collection
American Council for an Energy Efficient Economy (ACEEE)	Enables opportunities to build cross-regional support, alignment, and investment across HVAC programs via participation in ACEEE's Hot Air Forum planning.	Advanced Heat Pumps, Efficient RTU, High-Performance HVAC
ASHRAE	Supports standards development. Participation includes: • **ASHRAE 90.1-2028 development process:** Ensures national code is aligned with and reflects Northwest priorities, using research/analysis to inform proposals. ASHRAE 90.1 is the basis of Oregon's commercial energy code and a compliance option elsewhere in the region. • **ASHRAE technical committees:** Engages in select committees to influence specifications and build alignment and support for regional energy efficiency programs.	Advanced Heat Pumps Efficient RTU, High-Performance HVAC
CalNEXT	Partners with CalNEXT on research and projects to continue validation and adoption of advanced peat pumps improvements, and coordinates data sharing to support CalNEXT's heat pump RTU pilot.	Advanced Heat Pumps, Efficient RTU
California Market Transformation Administrator (CalMTA)	Builds interest in and alignment with NEEA's advanced heat pump improvement specifications, increasing the value of manufacturer investment. To increase impact and reduce market overlap, NEEA and CalMTA regularly coordinate to share data and progress across respective efficient RTU initiatives.	Advanced Heat Pumps, Efficient RTU
Center for Energy and Environment Efficient Technology Accelerator Program	Coordinates Market Transformation investments in efficient RTUs and residential heat pumps to build multi-regional support for product specifications.	Advanced Heat Pumps, Dual-Fuel Residential HVAC, Efficient RTU, HVAC scanning
Consortium for Energy Efficiency (CEE)	Supports national alignment and brings strategic value by amplifying regional priorities and leveraging national initiatives. Participation includes: • **Commercial Air Conditioning and Heat Pump Committee & RTU Subcommittee project:** Promotes	Advanced Heat Pumps, Dual-Fuel Residential HVAC, Efficient RTU

Organization	Value to the Northwest	Relevant Program or Opportunity
	adoption of NEEA's Efficient RTU specification among CEE members. • **HVAC Quality Installation Practices project:** Enables NEEA to contribute to and benefit from national research. • **Residential Electric HVAC Specification:** Provides a platform for NEEA to shape tier specifications used in federal tax credits, ensuring inclusion of advanced heat pumps improvements.	
CSA Group (Formerly Canadian Standards Association)	Improves product differentiation and testing accuracy through participation in rating and test procedure development.	Advanced Heat Pumps, Efficient RTU, High-Performance HVAC, HVAC Scanning
Environmental Protection Agency (EPA) ENERGY STAR	Builds alignment and support for advanced heat pump approach with ENERGY STAR Heat Pump Specification.	Advanced Heat Pumps
GTI Energy's Emerging Technology Program	Supports collaboration with partners across North America to accelerate commercialization and adoption of energy-efficient technologies.	Dual-Fuel Residential HVAC, Efficient RTU, HVAC scanning
NYSERDA	Builds multi-regional support and coordinated investment for high-performance HVAC and advanced heat pump improvements.	Advanced Heat Pumps, High-Performance HVAC
Nicor Gas	Supports shared investment in Efficient RTU program efforts and builds multi-regional alignment around voluntary specifications.	Efficient RTU
U.S. DOE	Advances national alignment of efficient RTUs by working to ensure that the Commercial Building Heat Pump Accelerator incorporates efficient RTU measures into its HVAC Technology Challenge.	Advanced Heat Pumps, Efficient RTU

Program Name: Advanced Heat Pumps

ILC Phase: Market Development

Executive Summary – The Advanced Heat Pump program aims to influence manufacturer practices to include product features, capabilities and ratings that will deliver higher efficiency in all residential variable speed heat pumps installed in the Northwest. The program prioritizes heat pump improvements that, if adopted, will increase savings, increase load flexibility capabilities and reduce dependence on contractor capabilities. Currently, NEEA is focused on technologies with low load efficiency, cold climate capability, minimizing supplemental heat, and connected commissioning. Additionally, NEEA is working to improve the accuracy of the test procedure metrics to include impacts of defrost, standby losses, and crank case heater use. NEEA is also collaborating across the organization to support emerging technology work on load flexibility and dual-fuel heating systems.

In 2026, NEEA will continue to lead the Advanced Heat Pump Coalition and serve on over a dozen standards and technical advisory boards responsible for heat pump metrics and specifications to influence adoption of advanced heat pump improvements. Work in 2026 will temporarily shift focus from influencing ENERGY STAR requirements and U.S. DOE minimum federal efficiency requirements to influencing state and national building codes. In the near term, NEEA activities will continue to build manufacturer support for product development and production of targeted heat pump improvements. NEEA staff will also continue to gather and analyze market data, field data, and lab data to refine savings estimates and demonstrate improved product differentiation and value proposition for customers, manufacturers and utilities.

Section 1 – Program Overview

Market Transformation Theory	NEEA has identified a set of low- and no-cost improvements that meaningfully increase installed heat pump system efficiency. The estimated technical potential of incorporating these improvements in applicable heat pump products is nearly 350 aMW and could decrease peak load by 1700 MW. To address the market's lack of awareness of what delivers efficiency and ability to competitively differentiate these improvements, NEEA aims to: (1) Validate energy savings and establish metrics to identify qualifying products for each improvement. (2) Build support among manufacturers and efficiency program partners for incorporating recommended improvements into specifications and standards. (3) Leverage existing manufacturer, distributor and efficiency/decarbonization program training and marketing to drive contractor and consumer awareness and education, when identified as an opportunity, resulting in increased availability and adoption of higher efficiency systems. As demand for improved products expands due to awareness, specifications and standards, the program anticipates that manufacturers will see competitive advantage in including improvements, resulting in expanded availability and marketing of the improvements. As adoption of improved products grows, installed systems will deliver greater efficiency regardless of design and installation errors, reducing the likelihood that significant contractor engagement will be needed. The program's ultimate goal is to continuously improve average installed efficiency and peak savings across all residential-size heat pump systems in the Northwest so that by 2030, average installed efficiency of residential-size heat pumps is 30% more efficient than 2017 average.

Current Market Barriers and Opportunities	**Barriers:** • Product differentiation: Lack of clear differentiation for advanced heat pump improvements. • Market awareness: Limited awareness of energy performance improvements for advanced heat pumps. **Opportunities:** • Identify and coordinate with programs and organizations investing in heat pumps for efficiency, decarbonization and grid capacity. • Capitalize on increasing end-user demand for indoor air quality, decarbonization and cooling. • Support manufacturers' efforts to differentiate products in a competitive market through qualified product lists and specifications.

Accomplishments	• Completed a multi-year research effort in 2025 that included energy modeling, data analysis, virtual product teardown, physical product teardown, lab research, and field research. Results suggest low-load efficient variable-speed heat pumps could deliver an additional 2-7% energy savings without an increase in system cost.
	• Advanced industry standards and test procedures to support product innovation, demand response capabilities, and regional program alignment:
	  ○ Influenced the development and manufacturer testing of a new controls verification procedure, which was then added to the AHRI 210/240 test procedure.
	  ○ Supported manufacturer-led updates to AHRI 1380, the standard that defines and enables demand response for variable speed heat pumps. Influenced the inclusion of the updated standard in the 2026 Consortium for Energy Efficiency performance tier criteria.
	• Influenced adoption of cold climate criteria into ENERGY STAR specifications and Consortium for Energy Efficiency performance tier criteria for the federal tax credit.
	• Submitted a joint proposal for a future heat pump measure to the Regional Technical Forum, in coordination with the Bonneville Power Administration (BPA), to address 1) minimizing supplemental heat and 2) cold climate capability. The joint proposal was based on BPA's high-performance high-capacity field study, which included significant contributions from Chelan County PUD, Tacoma Power and Puget Sound Energy, and on lab testing and data analysis activities conducted by NEEA.

Section 2 – Goals & Activities

2026 Goals	Critical Activities	Target	Threshold
Build alignment with priority partners and manufacturers on products, standards, codes, specifications, and metrics that include advanced heat pump improvements. *Barriers addressed:* • *Lack of product differentiation for improvements* • *Lack of awareness of energy improvements*	• Update and execute strategy to influence priority manufacturers to expand low load efficiency into more of their product lines. • Collaborate with AHRI to expand heat pump performance data reporting and publishing. • Provide leadership of the Advanced Heat Pump Coalition to influence regional and national stakeholders to adopt NEEA's priority heat pump improvements. • Garner priority manufacturer support of connected commissioning specification and market strategy. • Continue development of connected commissioning method of test and qualified products list. • Develop strategic plans with willing manufacturers to confirm alignment, commitment and action on the above improvement activities.	Conduct targeted outreach to each of the program's priority partners to achieve strategic alignment, resulting in individualized strategic plans with at least six partners by Q4 2026.	Conduct targeted outreach to each of the program's priority partners to achieve strategic alignment, resulting in individualized strategic plans with at least three partners by Q4 2026.
Refine improvement specifications and savings rate confidence. *Barriers addressed:* • *Lack of product differentiation for improvements* • *Lack of awareness of energy improvements*	• Launch current practice field research to study existing design, installation and performance practices in the Northwest. • Conduct field demonstrations to build case studies of connected commissioning and minimizing supplemental heat. • Support development of regional heat pump measures that advance cold climate capabilities and minimize the use of supplemental heat.	Launch current practice field research and start 3-5 field demonstrations in Q3 2026.	Launch current practice field research and inititate contracting for 3-5 field demonstrations in Q4 2026.
Effectively communicate value proposition to key market stakeholders and strategic partners. *Barrier addressed:* • *Lack of awareness of energy improvements*	• Develop and launch advanced heat pump content on BetterBuiltNW.com. • Develop targeted communications such as case studies, videos, presentations, and testimonials. • Deliver communications and education to key market stakeholders via multiple channels including BetterBuiltNW.com, social media channels, conferences, and in-person meetings.	Develop and deploy 3-5 high value communications pieces (e.g. videos, infographics, case studies, testimonials) by Q4 2026.	Develop and deploy two high value communications pieces by Q4 2026.

Program Name: Efficient Rooftop Units

ILC Phase: Market Development

Executive Summary – The Efficient Rooftop Unit (RTU) program aims to increase the efficiency of RTUs through product differentiation and, ultimately, by influencing federal standards. Packaged RTUs are self-contained HVAC systems that provide heating, cooling and ventilation in a single box. They are commonly found in low-rise commercial buildings and are responsible for conditioning approximately 35% of the commercial floor space that uses gas-fired systems in the Northwest.

In 2026 program goals include:

1. Deepening and expanding manufacturer relationships to support and accelerate product development efforts for efficient RTUs in the light commercial market.
2. Continuing to build partnerships and support for already-qualified efficient RTUs among market actors (manufacturers, manufacturer representatives, distributors, contractors) and utilities across the U.S. and Canada.
3. Increasing market actor awareness to ensure a clear, cohesive set of value propositions for efficient RTUs throughout the supply chain.

The Efficient RTU program will also review the current efficiency tiers and consider updates to the specification based on insights from the modeling work completed in 2025. Alongside refining the existing program, recent modeling and research has identified potential opportunities for electric energy savings. As a result, the program is exploring expansion to include electric heat pump RTUs. This approach builds on past program successes, strengthens Market Transformation efforts, and will potentially deliver savings for both electric and natural gas systems.

The program also expects to receive the second Market Progress Evaluation Report (MPER) in late 2026. Findings from this research will inform adaptive management and guide strategic adjustments to ensure continued effectiveness and impact.

Section 1 – Program Overview

Market Transformation Theory	While federal standards regulate the mechanical cooling and heating components in RTUs, the current standard does not require heat recovery, or address shell losses at all. These features deliver 10–40% natural gas savings beyond today's minimum efficiency RTUs. Even though many of the features are low- to no-cost once in production, today these features are typically only available in customized, premium RTUs, which make up a very small portion of this highly commoditized, cost-competitive market. NEEA proposes transforming the Northwest market to efficient RTUs that incorporate tighter, better insulated shells and heat/energy recovery by: • Differentiating more and less efficient units through a voluntary specification and compliant products list that can be used by programs and the market. • Addressing equipment availability and first cost market barriers by working with manufacturers to produce an increasing variety and volume of light commercial efficient RTUs and bolt-on ERVs, including lower price point models and strategies for addressing weigh differential compared to existing units. Changes in production will create a lasting shift to compliant products.

	• Increasing awareness of efficient RTUs and their value proposition by partnering with manufacturer representatives to drive adoption of efficient RTUs among specifiers. • Leveraging state and federal codes, as well as voluntary and federal standards to increasingly require efficient RTU efficiency measures. Ultimately, the Efficient RTU program will provide evidence needed to support an updated federal standard by 2034 that requires at least 20% more efficient RTUs than the 2020 market average.
Current Market Barriers and Opportunities	**Barriers:** • Differentiation: The market is unable to differentiate RTUs that have superior whole-box efficiency. • Product availability: Limited Tier 1 (improved enclosure insulation and construction) product availability for light commercial replacement market. • High first cost: Insufficient value proposition to overcome higher first cost (equipment and installation) and risk aversion for manufacturers, contractors, and customers. • Market awareness: Lack of awareness of products/features that deliver heating efficiency. • Contractor capacity: Lack of contractor knowledge and experience specifying and installing heat/energy recovery. **Opportunities**: • Pursue inclusion of the Efficient RTU specification and/or CSA P.8 test procedure into future codes and standards. • Coordinate efforts between the U.S. and Canada to align Market Transformation strategies and respond to shared customer and utility interest in reducing commercial building energy use.
Accomplishments	• Conducted RTU modeling showing energy reduction impacts from many RTU measures across several climate zones. Results are garnering interest from manufacturers and extra-regional partners. • Partnered with the Consortium of Energy Efficiency (CEE), Minnesota's Center for Energy and Environment (MNCEE), and Efficiency Vermont to convene a national RTU working group to coordinate RTU efficiency efforts across North America. • Worked with a light commercial HVAC manufacturer to bring a low-cost Energy Recovery Ventilator (ERV) add-on to its RTU lines. • Lab tested three representative units to verify the updated P.8 test procedure. • Completed two field tests utilizing lab-tested units to validate lab results in a real-world environment. • Developed and refined specification and compliant product list based on manufacturer feedback and energy modeling results. This specification will be used to qualify equipment for the program and for utilities to inform other program designs. • Coordinated with CalMTA, MNCEE and Nicor Gas on development of Efficient RTU Market Transformation programs following NEEA's model in California and the Midwest, extending the market share represented and capacity to transform the market.

Section 2 – Goals & Activities

2026 Goals	Critical Activities	Target	Threshold
Deepen and expand manufacturer relationships to support and accelerate their product development efforts on efficient RTUs for the light commercial market. *Barriers addressed:* • Availability • Awareness • First cost	• Continue engagement with major manufacturers to expand availability of qualified products that serve the light commercial (under 12 ton) replacement/maintaince market. • Update and implement manufacturer engagement plan to effectively target development of new products in the mid-tier range that incorporate efficiency features identified in NEEA's Efficient RTU specification. • Develop data driven value case to influence manufacturers to increase qualified units for the light commercial market. • Conduct technical research and pilots, in parnership with manufacturers and independent labs, to address questions from national partners around savings potential of modeled RTU features. • Work with manufacturers and national labs to correlate cabinet construction (double wall, rigid or foam injected insulation vs. singlewall) to leakage rates. • Work with U.S. DOE and National Labs to update RTU standards to include whole box features.	Engage with a minimum of three new, code-level manufacturers (e.g., Trane, Lennox, Carrier, etc.) to develop plans for producing new eligible equipment.	Achieve one of the following outcomes: • Two manufacturers (new or existing) producing new eligible equipment. • Two new price points introduced. • Two expanded product lines serving the light commercial market.

Continue to create and increase partnerships and support for already-qualified efficient RTUs among market actors (manufacturers, manufacturer reps, distributors, contractors) and utilities across the U.S. and Canada.
 	
Barriers addressed:
• Awareness
• First cost
	• Work with manufacturer representatives to:
	  ○ Refine and update value propositions that resonate with contractors and building owners.
	  ○ Identify projects and applications well suited for already-qualified efficient RTUs (schools, sports facilities, and other high-ventilation needs).
	• Increase collaboration with key stakeholders (utilities and partner organizations such as Nicor Gas, MN-CEE, CalMTA and CEE) in and outside the region to align specification/QPL and investment in program efforts.
	• Partner with distributors to increase regional availability of efficient RTUs.
		Recruit six new manufacturers/ distributors/ manufacturer representatives to provide efficient RTU sales data by Q2 2026.	Recruit four new manufacturers/distributors/ manufacturer representatives to provide sales data by Q4 2026.

2026 Goals	Critical Activities	Target	Threshold
	• Identify and leverage shared market relationships across NEEA programs to simplify engagements for market actors. • Provide early-stage incentives to help buy down risk and encourage distributor and manufacturer promotion of efficient RTUs. • Work with distributors and manufacturer representitives to gather incremental pricing and category sales data.		
Build market actor awarness to ensure a clear, cohesive set of value propositions for efficient RTUs throughout the supply chain *Barriers addressed:* • Awareness • Differentiation	• Update marketing plan to provide needed collateral for the supply chain to demonstrate value of efficient RTUs in building types and applications that are good usages for the qualified, mid-tier products. • Provide training presentations to industry groups (NEEA Product Council, Building Owners and Managers Association. (BOMA), International Facility Management Association (IFMA), and other facility organizations). • Leverage BetterBricks platform to increase knowledge of efficient RTUs and value propositions. • Collaborate with regional utilities to explore joint marketing opportunities. • Work with manufacturers to identify efficient RTU installations for monitoring to create case studies.	Deliver four high-impact engagements (e.g., in-person trainings or presentations) utilizing four new marketing assets tailored to supply chain groups such as installers, contractors or facility organizations by Q3 2026.	Develop four new marketing assets (e.g., trainings, flyers, case studies, etc.) by Q4 2026.

Program Name: High-Performance HVAC

ILC Phase: Market Development

Executive Summary – The High-Performance HVAC program aims to transform the commercial HVAC market in the Northwest by accelerating adoption of very high efficiency dedicated outside air systems (DOAS). These systems separate heating and cooling from ventilation, enabling optimal operation of each component. Compared to code-minimum system replacements, the very high efficiency DOAS approach has demonstrated an average reduction of 48% in overall commercial building energy use and 69% in HVAC energy use compared to conventional HVAC systems.

In 2026, the program will focus on:

1. Continuing engagement and education efforts to promote system approach, highlighting its value to the supply chain, building owners and facility staff.
2. Expanding program influence to include hydronic heating and cooling systems.
3. Building support for NEEA's proposed code changes.

In addition to its current focus areas, the program is exploring the integration of gas high-efficiency DOAS into its scope, applying the system-level approach to efficient natural gas technologies. This potential expansion would enhance NEEA's natural gas portfolio and introduce dual-fuel funding.

The program also expects to receive its second Market Progress Evaluation Report (MPER) in 2026. Findings from this research will inform adaptive management and guide strategic adjustments to ensure continued effectiveness and impact.

Section 1 – Program Overview

Market Transformation Theory	Adoption of very high efficiency heat/energy recovery ventilators (HRVs/ERVs) is limited due to lack of awareness of the products, design principles and value proposition. Also, system designers and contractors are reluctant to implement many of the very high efficiency DOAS design practices because they are not as familiar and straightforward as today's common practice of employing packaged roof top units. NEEA seeks to achieve sustained market changes by: 1) Educating and motivating manufacturer's representatives/distributors to promote the system approach, addressing awareness and complexity barriers. 2) Raising end-user and supply chain awareness of the system approach, its cost effectiveness, and indoor air quality benefits. 3) Providing market data and evidence to influence relevant ASHRAE committees and the advancement of local, state and federal codes to require elements of and/or the very high efficiency DOAS approach in its entirety. As a result of this program, by 2035, commercial energy codes in each Northwest state will require the very high efficiency DOAS approach or equivalent efficiency. This transformation is expected to deliver a 45% average increase of HVAC energy savings compared with 2014 code minimum.
Current Market Barriers and Opportunities	**Barriers:** • High first cost: E/HRVs of this caliber are premium products with high first costs attached.

	• Market alignment: ASHRAE serves as an important influence point in the market, and ASHRAE's national code guidance doesn't yet require or adequately feature very high efficiency DOAS. • System complexity: The system approach is more complex than the standard packaged RTU and involves multiple influencers on decision-making. • Market awareness: The supply chain, as well as end-users, are unaware of and/or do not see the value proposition for the system approach. **Opportunities:** • Incorporate key elements of very high efficiency DOAS into code. • Leverage heightened attention to Indoor Air Quality (IAQ) and decarbonization to drive adoption of this system approach.
Accomplishments	• Worked with manufacturers to expand the range of ERV/HRV offerings, increasing the total number of compliant ERV/HRVs to over 180 models. • Notable progress has also been made in Washington, where the design approach is a code option, which has driven considerable adoption of many elements of VHE DOAS. • Completed the program's first Market Progress Evaluation Report (MPER) in 2025. MPER findings confirmed the program's training and awareness efforts have been effective and have increased designers' likelihood of promoting very high efficiency DOAS.

Section 2 – Goals & Activities

2026 Goals	Critical Activities	Target	Threshold
Promote system approach and highlight full value proposition (including non-energy benefits) throughout the supply chain. *Barriers addressed:* • *Lack of awareness* • *Complexity of system, design process and decision making* • *High first cost*	• Continue supporting key influencers in the design community to influence their designer, architect and installer channel partners. • Expand program awareness activities to include building owners and facility/operations staff • Provide market channel support to participating manufacturer's reps/distributors on marketing, education and training opportunities • Leverage NEEA's BetterBricks platform and website to extend the program's reach • Provide project incentives to help attract champions and/or to obtain installation data that supports tracking on market progress • Leverage ASHRAE developments to influence specifier community	Conduct at least 10 awareness or educational efforts targeting supply chain audiences	Conduct at least 7 awareness or educational efforts targeting supply chain audiences
Expand program engagement strategy and technical resources to	• Develop program materials and technical resources highlighting examples of very high efficiency DOAS with hydronic heating	Develop and publish at least five technical	Develop and publish at least three

2026 Goals	Critical Activities	Target	Threshold
include focus on efficient hydronic heating and cooling systems (e.g. air-to-water heat pumps). *Barrier addressed:* *Lack of awareness*	and cooling systems and the associated benefits. • Publish very high efficiency DOAS case study highlighting hydronic heating and cooling system on BetterBricks website. • Disseminate hydronic-focused resources and information to targeted market actors through webinars, in-person trainings and presentations. • Perform hydronic-specific energy modeling and compare to existing very high efficiency DOAS savings rates.	resources and/or case studies focused on very high efficiency DOAS and hydronic heating and cooling to BetterBricks.	technical resources and/or case studies focused on very high efficiency DOAS and hydronic heating and cooling to BetterBricks.
Build support for NEEA's proposed code changes for ASHRAE and IECC *Opportunity:* *Codes*	• Develop outreach plan to identify key industry partners critical to ensuring adoption of NEEA's proposal, specifically targeting ASHRAE 90.1, 62.1 and IECC. • Continue to engage in IECC and ASHRAE committees to monitor code development progress and identify opportunities for engagement. • Coordinate with applicable stakeholders to build coalition for proposal support. • Utilize lab and market research to finalize SP18 testing procedure standard development for E/HRV. Leverage CSA's acceptance of SP18 to influence ASHRAE technical committee testing procedure. • Leverage market data collected from representatives and manufacturers to inform code changes/support efforts.	ASHRAE technical committee accepts new ERV/HRV testing procedure using components of the CSA SP18 testing procedure	Submit proposed change to ASHRAE committee overseeing ERV/HRV testing procedures using components of the CSA SP18 testing procedure

Program Name: Dual-Fuel Residential HVAC

ILC Phase: Program Development

Executive Summary – NEEA's Dual-Fuel Residential HVAC program aims to transform the market by advancing highly efficient dual-fuel system solutions (e.g., combining electric heat pumps with gas furnaces) and integrating grid-enabled controls. These systems offer reduced energy waste, increased grid flexibility, cost savings, and enhanced year-round comfort.

The program recently entered the Program Development phase of NEEA's ILC process. In 2026, NEEA staff will focus on studying dual-fuel system performance across various climate zones, identifying barriers to efficiency and performance, and analyzing system selection trends. These efforts will deepen NEEA's understanding of decision-making criteria when selecting dual-fuel systems and help refine baseline configurations and energy savings estimates.

In 2026, key program activities include:

1. Conducting demonstration projects to validate product performance and energy savings potential.
2. Characterizing the Northwest residential HVAC market to understand current conditions and explore product perceptions, challenges and opportunities that will help inform program design.
3. Identifying and defining mechanisms to quantify and communicate program value to funders, tailored to local needs.

Section 1 – Program Overview

Draft Market Transformation Theory	Pairing a heat pump with the gas furnace (a "dual-fuel system") and following a few simple design practices can largely improve the system's heating efficiency resulting in energy savings. Further, dual-fuel system controls have the potential to dynamically shift between the use of gas and electricity for heating, maximizing customer value and providing essential electric or gas grid flexibility at times of peak demand. While dual-fuel systems can deliver large energy savings, there are several barriers to realizing these savings. To address **awareness** and **initial cost** barriers, NEEA will partner with manufacturers, distributors, and utilities to communicate the value proposition to contractors and customers of optimally designed and installed dual-fuel systems. To address the **need for grid-enabled controls,** NEEA will develop a dual-fuel system rating and specification for dual-fuel systems with controls that can switch between fuels to optimize performance while managing grid impacts. As these new products gain adoption, it will enable the market to include them in updated codes and standards. As a result of these interventions, more efficient and grid-enabled dual-fuel systems will become the standard dual-fuel solution; manufacturers will produce and promote these systems; and contractors will design and install the most optimal systems, delivering reduced energy waste, grid flexibility, cost savings, and year-round comfort.
Target for Program Advancement	Advancement to Market Development anticipated in Q4 2027.

Section 2 – Program Development Activities

2026 Activities	Estimated Timing
Conduct research to understand dual-fuel system product performance and energy savings through demonstration projects to further inform target market and identify key barriers.	Q4 2025-Q4 2026
Characterize the dual-fuel HVAC market by collecting insights on market size, system selection criteria and adoption barriers to better understand market dynamics.	Q1 2026-Q4 2026
Refine energy savings and potential estimates by collecting cost data and identifying operational factors that influence system performance.	Q1 2026-Q3 2026

Product Group: Lighting

The Lighting Product Group includes the supply chain that manufactures, distributes, specifies, designs and installs lighting products (e.g., lamps, ballasts, controls and fixtures), and the end consumers who purchase them. There is currently one Market Transformation program in the Lighting Product Group: Luminaire Level Lighting Controls (LLLC).

The primary goal of the Lighting Product Group is to transform the commercial lighting market so that quality, networked lighting solutions that prioritize energy savings are the default choice.

Strategic priorities for 2026 and beyond include:

1. Increasing demand and visibility for LLLC through regional and national partnerships, utility program support, and trade ally network training and education.
2. Supporting energy code updates to incorporate LLLC by providing research and data that demonstrates how LLLC can help meet evolving building performance requirements.
3. Highlighting the value of LLLC to influence national lighting manufacturers to prioritize networked lighting solutions in product development and strategy.
4. Continuing field research into the savings and operational potential of HVAC systems controlled through LLLC fixture sensors as a control strategy for optimizing system performance based on occupancy.
5. Conducting data acquisition through the Non-Residential Lighting Data collection effort (NLDC) to deepen understanding of overall lighting market trends, focusing on the lighting controls market.
6. Continuing research on exterior LLLC sensor performance to assess feasibility for expanding the program to include exterior LLLC for non-municipal outdoor parking lots and structures.
7. Exploring opportunities to integrate load-flex capabilities into LLLC systems to support grid-interactive building strategies.

Section 1 –Strategic Engagements

Organization	Value to the Northwest	Relevant Program or Opportunity
ASHRAE	Ensures lighting codes represent Northwest needs.	LLLC
Design Lights Consortium (DLC)	Facilitates adoption of LLLC through a national technical specification and qualified product list.	LLLC
Illuminating Engineering Society (IES)	Bolsters credibility for LLLC through national lighting practice recommendations.	LLLC
Minnesota Center for Energy and Environment (MNCEE)	Builds scale, ensures consistent approaches and messaging, and avoids market confusion.	LLLC
U.S. DOE	Provides national reach by highlighting examples of LLLC projects and their value proposition, bolstering credibility and feasibility of LLLC.	LLLC

Program Name: Luminaire Level Lighting Controls (LLLC)

ILC Phase: Market Development

Executive Summary – The LLLC program uses a multi-faceted approach to transform the commercial lighting market by increasing demand for LLLC, strengthening regional sales efforts, building market capabilities for successful project delivery, and leveraging national partnerships. The goal is to make LLLC systems the standard practice for commercial buildings.

At this stage of program, product availability is strong and market awareness of LLLC is high. Continued progress is being made to build acceptance of the value proposition and bolstering the skills needed for successful sales and project implementation. In 2026, the program will focus on:

1. Leveraging local sales channels, key lighting specifiers and targeted professional associations to influence decision-makers understanding LLLC value and relevance for their business.
2. Supporting educational efforts that address perceived barriers to adoption.
3. Collaborating with utility lighting programs and other stakeholders to increase market acceptance of LLLC.
4. Coordinating with national organizations, such as the DOE, IES, ASHRAE and DLC, to strengthen their focus on LLLC and align efforts across regions.
5. Engaging with partners beyond the Northwest to broader adoption of LLLC, in turn creating market alignment and amplifying impact.

Also in 2026, NEEA staff will continue assessing the feasibility of expanding the program scope to include exterior LLLC in outdoor parking lots (non-municipal applications). If incorporated into the program, efforts will remain small scale and opportunistic in 2026, with more fully developed opportunities anticipated in 2027.

Section 1 – Program Overview

Market Transformation Theory	LLLC, a growing subset of Networked Lighting Controls (NLC) with sensors in each fixture, bring simplicity, flexibility, and a high-quality lighting experience, while delivering greater energy savings alongside non-lighting business benefits. These advantages build a path for much broader adoption. Yet, for LLLC to gain widespread market adoption, LLLC-specific barriers need to be addressed. Cost is still higher than basic control systems or first generation NLC. In addition, both those who specify lighting projects (designers, engineers, and installers) and their customers have not yet fully embraced LLLC's value proposition and still hold misperceptions based on their experience with the older control technology. To address these barriers and leverage LLLC's unique value proposition, the program engages key manufacturers and their supply chain to enhance promotion and sales in the Northwest, builds market awareness and capabilities via regional and national industry organizations as well as key market influencers and early adopters, and supports integration of LLLC into energy codes. As a result, over time LLLC will become standard practice in new and existing commercial buildings.
Current Market Barriers and Opportunities	**Barriers:** • Product readiness**:** Continue to influence usability and installation ease by promoting the sufficient availability of qualified products and highlighting success stories, lessons learned and best practices.

	• Trade ally knowledge and capabilities: Address sales, design, specification, installation and programming skills and work to dispel myths based on experience with previous generation lighting controls. • Awareness of value proposition: Continue to increase the understanding and acceptance of LLLC lighting, energy and other business benefits by decision-makers and influencers to combat value engineering and transform awareness into adoption. • High first cost: Highlight incremental cost reductions in market and utility program downstream incentives. **Opportunities:** • Leverage extensive benefits related to data collection and connectivity with other building and business systems to expand market adoption. • Leverage the strong interest in adopting LEDs by promoting LLLC as best LED option.
Accomplishments	• Qualified product list includes offerings from all major lighting control manufacturers. • Segmentation of products based on features and price points. • Strengthened collaborative partnerships with nine manufacturers and their local sales channels to increase promotion of LLLC, including the addition of two new manufacturer relationships in 2025. • Continued collaboration with a variety of professional associations and funders to educate market actors on LLLC topics, build skills, feature success stories and highlight accomplishments of influential specifiers. • Influenced Illuminating Engineering Society (IES) to incorporate LLLC in its standard lighting controls practice and in its recommended practices for offices, bolstering the use of LLLC as a mainstream lighting solution. • Received earned media coverage of LLLC, demonstrating market interest. • Increased the number of market actors championing LLLC to their clients and successfully highlighted several of these champions and their success stories to bolster acceptance of LLLC value proposition.

Section 2 – Goals & Activities

2026 Goals	Critical Activities	Target	Threshold
Strengthen focus and promotion of LLLC by key manufacturer sales channels to motivate more sales professionals to champion LLLC to their customers. *Barrier addressed:* • *Awareness of value proposition*	• Continue engagement of targeted manufacturers and their priority local manufacturer representative agencies and distributors to ensure they are well positioned to promote LLLC to their clients and to decision-maker audiences throughout the region. • Prioritize developing additional champions for LLLC, particularly in geographies with historically low adoption. • Leverage champions to influence both decision-makers and sales professionals to embrace LLLC. Highlight local manufacturer representatives' success stories which reflect targeted building applications, geographies and/or key value proposition messages.	Collaborate on strategic events with 14 manufacturer representatives who have not previously featured LLLC.	Collaborate on strategic events with 10 manufacturer representatives who have not previously featured LLLC.

2026 Goals	Critical Activities	Target	Threshold
Influence leading lighting designers, engineers and installers to include LLLC in their ongoing business practices. *Barriers addressed:* • *Awareness of value proposition* • *Trade ally knowledge and capabilities* • *First cost*	• Continue targeted educational efforts to address perceived barriers to adoption, spotlight best practices for successful project delivery and strengthen the ability to communicate the value proposition of LLLC to their clients and other decision-makers. • Collaborate with utility lighting programs and with professional organizations to deliver education. • Leverage existing educational institutions, so that ongoing training will become self-sustaining. • Prioritize educating lighting designers, engineers and installers in areas with lower adoption rates, reaching new entrants to lighting industry. • Highlight IES standard practice recommendations to validate and position LLLC as an attractive and mainstream lighting solution.	Conduct 10 educational events, with at least four featuring a presentation by a lighting designer, engineer or installer.	Conduct eight educational events, with at least three featuring a presentation by a lighting designer, engineer or installer.
Increase visibility and demand for LLLC through strategic national engagements to build scale. *Barrier addressed:* • *Awareness of value proposition*	• Continue to engage IES controls committees to expand inclusion of LLLC in their recommendations and education. • Continue to engage DLC on lighting controls technical definitions and requirements and begin to align on HVAC integration topics • Lay groundwork for future ASHRAE updates to support LLLC as an appealing option to meet recommended practices • Engage select extra-regional Market Transformation partners, to create greater visibility within the market. • Continue to influence code updates that support LLLC as a way to meet code.	Strengthen strategic alignment and collaboration with IES, DLC and ASHRAE	Strengthen strategic alignment and collaboration with at least two of the three following organizations – IES, DLC or ASHRAE

Product Group: Motor-Driven Systems

The Motor-Driven Systems Product Group encompasses motors, end-use equipment such as pumps, fans, and compressors, as well as related control technologies such as variable speed drives. Key stakeholders include those involved in the supply chain who manufacture, distribute, design, specify, install, and influence the decision-making and purchase of such equipment and systems. This Product Group includes two programs: Efficient Fans and Extended Motor Products (XMP) – Pumps.

The Product Group strategy is focused on driving the market to adopt motor-driven products designed to optimize system efficiency, often through speed control and integrated product design. 2026 strategic priorities include:

- Continuing to build awareness of efficient motor products and related energy-saving metrics, such as the Energy Rating (ER) label and Fan Energy Index (FEI), with specifiers and other key market actors.
- Collaborating with the National Electrical Manufacturers Association and the Motors Coalition, to continue development of a voluntary labeling initiative leveraging the Power Index (PI) metric to support a Market Transformation program for variable speed drives.
- Conducting research into new technologies and opportunities, including advanced industrial integrated motor assessment, expanded scope market opportunities for XMP, and PI technical potential.
- Enhancing collaborations with industry trade associations and utilizing established networks to amplify market messaging and support state-level code proposals aimed at raising minimum energy efficiency standards for motor-driven products.
- Exploring opportunities for the inclusion of load-flex capabilities within the Motor-Driven System Product Group.

Section 1 – Strategic Engagements

Organization	Value to the Northwest	Relevant Program or Opportunity
Air Movement and Control Association (AMCA)	Provides access to manufacturers and a seat at the table for future standards and voluntary programs, accelerates the path towards a fans coalition, and builds on existing relationships for future opportunities.	Efficient Fans
Electrical Apparatus Service Association (EASA)	Supports the growth and acceptance of a potential variable speed drive voluntary label initiative that leverages the PI metric.	Scanning
Hydraulic Institute	Provides access to the national perspective, strong collaborative partner on advancing smart pump technology and adoption with manufacturers, and a seat at the table to increase visibility and influence.	XMP - Pumps
National Electrical Manufacturers Association (NEMA)	Supports development, growth and launch of a voluntary motor labeling initiative focused on the Performance Index (PI) metric for variable speed drives.	Scanning

Program Name: Extended Motor Products – Pumps

ILC Phase: Market Development

Executive Summary – The XMP – Pumps program aims to transform the pumps and circulators market toward high efficiency systems. In 2025, interest in smart pumps and circulator products, particularly those with electronically commutated motors (ECMs), continued to gain interest among pump buyers, specifiers, sales engineers, and facility managers. While regional sales data trends show steady growth, demonstrating clear progress among early adopters, work is still ahead to reduce persistent market barriers and to gain traction on smart pumps among the majority of pump decision makers.

In 2025 the program received the findings of its first Market Progress Evaluation Report (MPER), which showed strong indications that the program is successfully influencing both sales and purchasing decision makers. However, MPER #1 also indicated that the market is still largely unaware of the pumps Energy Rating (ER) label and its value, and there are still low levels of understanding of the benefits of smart pumps. To address these findings, the program will continue to focus on reducing and removing market barriers to the widespread adoption of efficient pump equipment. Key 2026 activities include:

1. Expanding geographic footprint to reach more markets.
2. Developing opportunities to affect additional pump types, including rural well-pumping, agriculture, industrial and municipal market segments.
3. Exploring opportunities to expand the program into other clean water pump product types not covered by the U.S. DOE's Pump Energy Index (PEI), but which may be possible to test and rate under the ER program.
4. Building additional awareness through NEEA's engagement with the pump industry trade association, Hydraulic Institute, on a new project that will formally define smart pumps and create a new smart pump registry website to promote smart pump benefits across all brands and available products.
5. Working to influence pump Original Equipment Manufacturers (OEMs) to more aggressively market smart pumps and pumps featuring high ER label scores.
6. Improving regional market understanding of the benefits of smart pumps by producing more smart pump case studies and working with the Hydraulic Institute to make the ER label more useful to pump buyers and specifiers.

Section 1 – Program Overview

Market Transformation Theory	Clean water pumps are abundant in the commercial, industrial, agriculture and municipal water markets. The XMP – Pumps program is focused on driving the adoption of advanced pump technology including integrated smart pumps in these markets. However, there is a lack of awareness, confidence, and product performance concerns for smart pumps by key market actors, as well as high first cost. To address these barriers and enable diffusion, the program develops deep relationships with manufacturer's representatives to raise awareness and understanding of smart pump technology and develops tools to support savings validation. The program conducts research to validate and demonstrate reliability and ease of maintenance, along with producing case studies that demonstrate the product advantages, cost-effectiveness, and reliability of smart pumps. The program also works with the Hydraulic Institute to improve and influence the ER label, which offers a mechanism for product differentiation for smart pumps, hence improving awareness. Close collaboration with the Hydraulic

	Institute, along with market actors such as manufacturers and manufacturer representatives, will allow NEEA to influence specifications and test procedures that result in comment letters to U.S. DOE to influence federal performance standards for pumps.
Current Market Barriers and Opportunities	Barriers: • Market awareness: Limited awareness of smart pumps technology and the benefits . • Awareness of value proposition: Lack of market confidence for smart pump performance in real world conditions. • High first cost: Smart pumps of this caliber are premium products with high first costs attached. Opportunities: • Collaborate with Hydraulic Institute and pump manufacturers to build awareness of ER and smart pumps. • Leverage U.S. DOE's first federal standard for circulators, effective 2028. • Capitalize on smart pump product availability, as most major brands offer products in sizes up to 50+ Horsepower.
Accomplishments	• Gained participation from two new manufacturer representative firms, increasing geographic reach and adding coverage in the submersible turbine and well pumping category. • Reached additional pump specifiers in 2025 through coordinated activities of the program's field team, including tabling at nine events, providing lunch and learn trainings to four engineering firms, and publishing three new fact sheets and case studies on BetterBricks.com. • Achieved year-over-year growth in smart pumps and smart circulators as a portion of overall sales, rising from 17% in 2022 and on-track to reach or exceed goal of 23%+ in 2025. • Completed the program's first MPER, incorporated program changes to increase focus on raising awareness of the ER label and smart pumps and kicked off MPER #2 in 2025.

Section 2 – Goals & Activities

2026 Goals	Critical Activities	Target	Threshold
Motivate participating manufacturer representative firms to preferentially stock and increase sales of smart pumps and smart circulators. *Barrier addressed: Lack of value proposition understanding.*	• Design, implement and manage midstream smart pump and smart circulator bonus structures for each participating manufacturer representative, informed by learnings from prior years and MPER #1 findings. • Provide detailed reports and analysis to all participating firms, reviewing progress through monthly or bi-monthly meetings, tracking efficiency progress, and collaborating on marketing and awareness building opportunities.	Reach market share of 25% for smart pumps and smart circulators, excluding sales in the submersible turbine category.	Reach market share of 20% for smart pumps and smart circulators, excluding sales in the submersible turbine category.

2026 Goals	Critical Activities	Target	Threshold
Raise awareness of the value of efficient pump products, and increase the use of the ER label in identifying smart pumps. *Barrier addressed: Lack of awareness*	• Enhance market perception and understanding of the benefits of smart pumps and the ER Label among specifiers to accelerate market adoption. • Solicit program support proposals from participating distributors, and award funding to the companies and co-investment opportunities most likely to increase efficient sales. • Support and provide technical support to Hydraulic Institute to define a "smart pump," build a Smart Pump Registry or Certified Smart Pump website, and market the site to relevant audiences. • Support Hydraulic Institute training and education programming. • Support specific manufacturer initiatives, events and publicity opportunities with specific reference to ER and smart pumps. • Complete and publish additional case studies about Northwest installations of smart pumps in partnership with funding utilities. • Complete "Industry Voices" interviews with influential smart pump early adopters.	Complete 15+ high-impact awareness building activities: HI progress toward smart pump registry, smart pump promotion resources, case studies, lunch & learn events, and "Industry Voices" videos.	Complete 10+ high-impact awareness building activities: HI progress toward smart pump registry, smart pump promotion resources, case studies, lunch & learn events, and "Industry Voices" videos.
Accelerate program participation by growing the number of participating manufacturer representative firms, and by expanding the program scope into additional markets. *Barrier addressed: Limited awareness of smart pumps technology benefits and value proposition.*	• Motivate an increased number of manufacturer representative firms to participate in the program, share sales data, promote smart pumps through education and marketing activities, and demonstrate a growing penetration of smart pumps in their sales mix. • Drive additional smart pump awareness and ER label usage in the Northwest by supporting manufacturer-led marketing, training and awareness efforts featuring ER and smart pumps. • Develop relationships with manufacturers representative firms in the well pumping, municipal clean	Recruit manufacturer representative firms to support and participate in program activities, resulting in a total of at least 12 firms by Q4 2026	Recruit manufacturer representative firms to support and participate in program activities, resulting in a total of at least 10 firms by Q4 2026

2026 Goals	Critical Activities	Target	Threshold
	water pumping, and industrial pumping segments to broaden reach into new categories of the regional pump market. • Advance pump efficiency opportunities in American National Standards Insitute pumps and other pump categories used in clean water conveyance but not yet covered by the scope of the U.S. DOE pumps standard, such as larger diameter submersible pumps, low-flow submersible pumps, and vertical lineshaft turbine pumps.		

Program Name: Efficient Fans

ILC Phase: Program Development

Executive Summary – The Efficient Fans program works with manufacturers, manufacturer representatives, and specifiers to leverage the Fan Energy Index (FEI) as a tool to increase sales of efficient fans and educate the market on the advantages of efficient fan systems. The program remains focused on commercial and industrial fans with an FEI > 1.00 that are sold as standalone fans or embedded in packaged equipment without an established energy-efficiency metric, such as exhaust, custom air-handling, and industrial process equipment.

In 2026 the program will focus on maintaining and expanding partnerships with manufacturers and representatives while cultivating new relationships to refine program design and broaden market reach. Key activities will include:

1. Completing critical program development activities, refining the Market Transformation (MT) theory and logic model, and gathering additional market data to support program advancement to Market Development in 2026.
2. Leveraging findings from recent market research on specifiers and manufacturer representatives to refine messaging, test market responses, and better understand communication channels that influence purchasing decisions to assist in the development of education and awareness content and influence product specification choices.
3. Building on the program's relationship with the Air Movement and Controls Association (AMCA) to strengthen FEI awareness across the market and collaborating on a potential data collection effort involving multiple fan manufacturers.

Section 1 – Program Overview

Draft Market Transformation Theory	Efficient fans have approximately 138 aMW of program savings opportunity but face several market barriers. The main barriers to realizing these savings are the low awareness of the FEI metric and efficient fans among manufacturer representatives and market actors, as well as manufacturers fan selection software that does not prioritize FEI. To overcome these obstacles the program will partner with leading manufacturers to optimize fan selection software to highlight FEI and develop a compelling value proposition for efficient fans. The program will engage manufacturer representatives to increase FEI awareness and prioritize efficient fan sales, while collaboration with trade associations and member groups will educate specifiers and installers on the benefits of efficient fans. Over time, the program will work to phase out the lowest cost fans, thereby raising the minimum FEI available in the market. These combined efforts, alongside advancing standards and U.S. DOE FEI minimums, will promote the selection and adoption of more efficient fans across the market and set the path toward achieving an overall increase in fan efficiency by 2041 that is 25% better than the 2021 baseline.
Target for Program Advancement	Advancement to Market Development anticipated in Q3 2026.

Section 2 – Program Development Activities

2026 Activities	Estimated Timing
Refine understanding of fan types and their applications to confirm baseline assumptions, validate FEI target levels, and identify market sectors and applications with the highest achievable savings.	Q1 – Q3 2026
Leverage findings from 2025 market research and program learnings to refine the program's Market Transformation theory and intervention strategies in preparation for advancement to Market Development.	Q1 – Q3 2026
Increase partnerships with manufacturer representatives and related manufacturers to increase FEI and efficient fan awareness. Continue gathering additional market data to support program interventions.	Q1 – Q4 2026

Product Group: Water Heating

The Water Heating Product Group includes natural gas and electric water heaters and the supply chain that manufactures, distributes (wholesale and retail), specifies, designs and installs commercial and residential water heaters and the end consumers who purchase these products. There are two programs currently in the Water Heating Product Group, one in the electric portfolio, Heat Pumps Water Heaters (HPWH), and one in the gas portfolio, Advanced Commercial Water Heating.

In 2026 the Water Heating Product Group will continue to focus on validating the performance and reliability of efficient water heating solutions in residential and commercial buildings and coordinating with key stakeholders across the Northwest and nationally to accelerate Market Transformation. Specific 2026 priorities include:

1. Engaging with Northwest utilities and national stakeholders to develop strategies that increase short-term energy savings and support long-term support HPWH adoption and compliance with the new federal standard.
2. Testing gas heat pump and dual-fuel configurations through demonstration projects to validate system performance using data analysis and feedback from key market partners.
3. Completing a commercial water heating market characterization report to confirm barriers and opportunities for gas heat pumps and dual-fuel systems and inform program strategies that accelerate the market presence and adoption of these efficient water heating solutions.
4. Coordinating with ESRPP to identify engagement opportunities with big box retailers and develop strategies to increase HPWH availability and sales at retail.
5. Exploring load flexibility opportunities in residential and commercial products through ongoing coordination between the water heating programs and the End-Use Load Flexibility Special Project. Identify opportunities to integrate activities and goals that increase the number of grid-connected water heaters in the region.

Section 1 – Strategic Engagements

Organization	Value to the Northwest	Relevant Program or Opportunity
Advanced Water Heating Initiative (AWHI)	Facilitates national HPWH conversations to advance product development and HPWH adoption. Supports updates to the AWHS to standardize ongoing product optimization and connectivity details.	HPWH, Advanced Commercial Water Heating
Air-Conditioning, Heating, and Refrigeration Institute (AHRI)	Provides the opportunity to explore partnerships that support HPWH qualified product lists (QPLs) and quality assurance programs.	HPWH, Advanced Commercial Gas Water Heating
American Council for an Energy Efficient Economy (ACEEE)	Provides opportunities to build multi-regional support, alignment, and investment across water heating initiatives through Hot Water Forum participation.	Advanced Commercial Water Heating, HPWH

Organization	Value to the Northwest	Relevant Program or Opportunity
California Market Transformation Administrator (CalMTA)	Informs and aligns HPWH initiative strategies in California and the Northwest to accelerate HWPH Market Transformation.	HPWH
Center for Energy and Environment Efficient Technology Accelerator Program	Ensures coordination of Market Transformation strategies for gas heat pumps.	Advanced Commercial Water Heating, HPWH
Consortium for Energy Efficiency (CEE)	Provides opportunity to inform and influence water heating specifications to align with AWHS and NEEA best practice guidance.	HPWH, Advanced Commercial Water Heating
Environmental Protection Agency (EPA)	Enables alignment of NEEA's Advanced Water Heating Specification (AWHS) with ENERGY STAR to establish consistent efficiency targets for new and existing HPWH technology and prepare the market for the new federal standard.	HPWH
Nicor Gas	Supports coordination on gas heat pump Market Transformation strategies to increase scale and accelerate Northwest and national market transformation goals.	Advanced Commercial Water Heating
North American Gas Heat Pump Collaborative	Identifies market research and product testing opportunities to inform Market Transformation strategies that support gas heat pump adoption.	Advanced Commercial Gas Water Heating
OpenADR Alliance	Informs connectivity standards to incorporate demand response capabilities in HPWH products, enabling utilities and aggregators to cost-effectively manage flexible load potential.	HPWH
Portland General Electric	Enables participation in a pilot to test HPWH load flex capabilities in multifamily buildings using both central and unitary systems.	HPWH, Advanced Commercial Water Heating
Regional Energy Efficiency Organizations (REEOs)	Ensures best practice and resource sharing, and alignment on strategies, product requirements and messaging to transform residential and commercial water heating.	HPWH
Tennessee Valley Authority (TVA)	Supports national and Northwest adoption of HPWHs by identifying potential collaborative opportunities on residential HPWH programs.	HPWH

Program Name: Heat Pump Water Heater

ILC Phase: Market Development

Executive Summary – The Heat Pump Water Heater (HPWH) program aims to make HPWHs the dominant and preferred technology for electric water heating in emergency replacements, planned replacements, and new construction for single-family homes and low-rise multifamily buildings. Since 2011, the alliance has worked to transform the water heating market by influencing manufacturers to invest in advanced technology performance and by overcoming key barriers to market adoption. The alliance has demonstrated that broad national adoption of HPWH technology is feasible through addressing barriers, resulting in the Northwest having some of the highest adoptions rates in the country.

In May 2024, the U.S. DOE finalized a federal standard requiring most electric storage water heaters to transition to heat pump technology by 2029. The upcoming standard presents a substantial challenge: preparing the market for a large-scale product shift over the next four years. The alliance continues to play a critical role in ensuring the market is equipped to meet the new standard, to sustain long-term adoption and ensure energy savings.

In 2026, the program will focus on regional collaboration, product support and national engagement. NEEA staff will work closely with local stakeholders to focus and amplify resources through funder workgroups, targeted training, and expanded consumer awareness campaigns. At the national level, the alliance will continue to lead and support strategic initiatives that promote product innovation, ensure high product performance and broaden market intelligence, all with the goal of easing the transition to the upcoming federal standards.

Section 1 – Program Overview

Market Transformation Theory	To overcome barriers and accelerate the market adoption of HPWH, the alliance works to 1) influence ENERGY STAR and federal test procedures to incorporate key elements of the Advanced Water Heating Specification (AWHS) thereby creating national alignment and laying the ground work for a federal efficiency standard; 2) participate in federal standards rulemaking process by sharing data and building alignment with stakeholders; 3) work upstream with water heater manufacturers to influence product development; 4) train the supply chain in HPWH technology until it becomes standard practice; and 5) continue to increase awareness and demand for HPWH among consumers on a regional and national level. By executing these strategies to address key barriers, the program will achieve a federal standard that shifts the majority of the market to HPWH, position HPWH as the dominant and preferred technology for electric storage water heating and achieve these significant savings benefiting the region, and nation, for future generations.
Current Market Barriers and Opportunities	**Barriers:** • High first cost: Remains a barrier to HPWH adoption, preventing more widespread adoption of the technology. • Installer reluctance: Installation challenges, reliability, and customer callback concerns impact installers decision to recommend HPWHs to customers. • Low consumer awareness: Most consumers rarely think about their water heaters.

	• Market adoption**:** Uptake of HPWHs remains low outside the Northwest, which could cause national resistance, workarounds, or rollbacks that would greatly reduce regional benefit from the standard. **Opportunities:** • Leverage new Federal Standard implementation timeline as an engagement tool with installers and manufacturers. • Support new HPWH products entering the market, especially those with solutions for challenging installations. • Expand the value proposition for HPWHs to include flexible load benefits.
Accomplishments	• Provided joint recommendation in support of the Consumer Water Heating federal standard, finalized in May 2024. The recommendation is now referenced throughout the standard, which requires HPWHs for all storage water heating over 35 gallons starting May 2029. • Tracked continued increase in market share year over year despite economic indicators of slowdown. • Completed the 'Amazing Shrinking Room' study, which is now widely referenced, including in federal documents. • Entered phase three of the multi-year Hot Water Innovation Prize with multiple manufacturers engaged. • Brought distributor data processing in-house, optimizing the process and providing better insights of market analysis to distributor partners. • Added 100+ products across sixteen brands to the AWHS QPL, setting the stage for a record year. • Launched the *Level Up* consumer consideration campaign and simultaneously completed modernization and relaunch of the Hot Water Solutions consumer and installer website. • Provided in-person training to over 400 installers and plumbing students across the Northwest in 2024. • Earned Energy Skilled™ recognition from the Department of Energy (DOE) for Hot Water Solutions on-demand and in-person trainings.

Section 2 – Goals & Activities

2026 Goals	Critical Activities	Target	Threshold
Deepen engagement with local stakeholders to accelerate adoption and impact. *Barriers:* • *Installer reluctance* • *Low consumer awareness*	• Lead funder workgroups to foster deeper collaboration and regional alignment. • Leverage relationships with distributors, manufacturer representatives and diverse community partners to ensure product availability, accessible training and strong installer support across the Northwest. • Deploy consumer marketing campaign with Northwest partners to continue to strengthen awareness of the technology and expand creative content to encourage early replacement of electric water heaters. • Enhance regional distributor-focused market intelligence reports to include greater reach	Conduct at least four new collaborations with regional stakeholders to accelerate adoption of HPWH.	Conduct at least two new collaborations with regional stakeholders to accelerate adoption of HPWH.

2026 Goals	Critical Activities	Target	Threshold
	and identify additional analytical insights that can support more effective targeting in low adoption regions. • Review, update, expand and distribute Hot Water Solutions technical assets for both DIYers and contractors.		
Leverage national engagement to increase extra-regional adoption of HPWHs to ease the transition to the upcoming standard change. *Barrier:* *Low adoption outside the Northwest*	• Participate in the Advanced Water Heater Initiative as a sponsor and provide leadership to steering committees. • Develop action plan with manufacturers and extra-regional entities to support the promotion of HPWHs. • Leverage ESRPP and retail relationships to build consistent national awareness and support. • Explore expanding market intelligence reports to manufacturers and retailers.	Collaborate with at least three extra-regional partners on an activity to increase the market share of HPWH by Q3 2026.	Collaborate with at least two extra-regional partners on an activity to increase the market share of HPWH by Q4 2026.
Ensure a broad range of high-performing products are available and well-supported by maintaining and updating product qualification standards, expanding technical resources, and showcasing innovation. *Opportunity:* *Support new HPWH products entering the market, especially those with solutions for challenging installations.*	• Identify and promote the Hot Water Innovation Prize, securing demonstration sites both inside and outside the Northwest. • Maintain and update NEEA's Advanced Water Heating Specification and HPWH Qualified Products Lists with broad stakeholder feedback to support a diverse range of efficient products. • Partner with market actors to gather regional performance data and conduct targeted research. Share findings with manufacturers.	• Complete lab testing and award Hot Water Innovation Prize by Q3 2026 • Secure commitment from at least two entities to run demonstration projects with the winning product to bring awareness to the innovative solution.	Complete lab testing and award Hot Water Innovation Prize by Q3 2026.

Program Name: Advanced Commercial Water Heating

ILC Phase: Program Development

Executive Summary – The Advanced Commercial Water Heating program aims to accelerate the development and market availability of advanced commercial gas water heating systems, particularly commercial gas heat pumps (GHPs), to reduce energy consumption in commercial and multifamily buildings. The Program Development phase allows NEEA to explore gas heat pump technology and other advanced efficient system configurations and learn more about existing market conditions through product testing, validation, and market research. 2026 focus areas include:

1. Prioritizing analysis of commercial gas heat pumps in water heating applications, while also exploring the market opportunity for dual-fuel system solutions, and, where applicable, their potential for load flexibility.
2. Building upon 2025 efforts to recruit demonstration project participants, baseline monitoring, and early system design and continuing ongoing data monitoring of multifamily demonstration projects to report on system performance and savings. The program will also validate system performance in additional lab-based applications and continue recruiting new sites to diversify field test applications.
3. Developing engagement plans for both manufacturers and key stakeholders to track market progress, identify intervention opportunities, and maintain strategic relationships.
4. Supporting the completion of a North American commercial water heating market characterization, in partnership with the North American Gas Heat Pump Collaborative. This research will provide regional insights, including those specific to the Northwest, to inform NEEA's understanding of market barriers and opportunities, define a value proposition for key decision makers, and guide program strategy.

Section 1 – Program Overview

Draft Market Transformation Theory	Advancements in commercial gas water heater efficiency have been limited due to design complexity, high first costs, low market awareness, and a limited understanding of the value proposition. NEEA will demonstrate the energy savings of gas heat pumps and dual-fuel configurations while offering design, installation, and operational guidance that increases the value proposition for building owners and actors throughout the supply chain to promote, sell, and install gas heat pumps and dual-fuel solutions. These intervention strategies will help position gas heat pumps and dual-fuel solutions as viable water heating solutions in commercial buildings that offer efficiency benefits to owners and occupants. Increased market adoption of efficient commercial water heating solutions has the potential to save up to 22 million therms by 2043[5] and will provide the evidence necessary to influence federal standards that mandate progressively higher efficiencies for gas water heating equipment. Eventually, Thermal Efficiency values exceeding 1.0 will become the minimum standard for commercial gas water heating.
Target for Program Advancement	Advancement to Market Development anticipated in Q2 2027.

[5] Current savings potential estimate covers gas heat pumps, not dual-fuel solutions; however, the technical potential will be updated to include dual-fuel solutions in 2026.

Section 2 – Program Development Activities

2026 Activities	Estimated Timing
• Validate advanced commercial water heating systems' performance and savings via continued field and lab testing.	Q1 – Q4 2026
• Complete the market characterization and integrate learnings into the program's Market Transformation theory and intervention strategy.	Q2 2026
• Engage manufacturers and key stakeholders to refine channel development interventions.	Q2 – Q4 2026

Enabling Infrastructure

Enabling Infrastructure programs support regional energy efficiency and NEEA's Market Transformation programs by building market capability, awareness and demand for energy-efficient products, services and practices. NEEA's infrastructure programs in 2026 are: BetterBricks and the Integrated Design Labs.

Program Name: BetterBricks

Executive Summary – The BetterBricks infrastructure program is designed to address persistent market barriers in commercial buildings through a centralized, coordinated, and cost-effective strategy. This approach creates a foundation for intervention strategies across NEEA's Market Transformation programs, while also supporting market interest and capability to engage in local energy efficiency programs.

In 2026, the program will pursue several opportunities to meet the market's growing need for innovative solutions, unbiased information, and streamlined compliance assistance. Additionally, market dynamics are trending toward an increased emphasis on meeting new and evolving building performance codes and standards. To capitalize on these trends, the program will focus on:

1. Enhancing digital presence and expanding reach through educational content and strategic partnerships.
2. Strengthening brand positioning and value delivery through enhanced internal coordination and collaboration.
3. Maintaining trust and market presence through clear messaging and unbiased positioning.

Section 1 – Program Overview

Description	The BetterBricks infrastructure program is designed to support the removal of persistent market barriers in the commercial real estate sector through a consistent, coordinated, and cost-effective centralization strategy. This approach ensures that BetterBricks can maintain a steady level of awareness among market actors, providing alternatives to conventional approaches in designing, operating, and investing in buildings that incorporate energy-efficient solutions. BetterBricks supports multiple Market Transformation programs by addressing commonly shared barriers such as low awareness, lack of understanding of value propositions, lack of market capacity and skills, and resistance to change. By focusing on these adoption barriers and utilizing broad, high-level messaging, BetterBricks helps maintain a stable market perception and builds trust and awareness, which in turn supports the deeper, more targeted Market Transformation efforts led by individual programs.
Value to the Northwest	Investments in awareness and positioning through BetterBricks deliver lasting benefits and compounding value over time, thanks to the enduring nature of the program's infrastructure. This foundational awareness supports both current and future Market Transformation programs by reducing the need to build market awareness from scratch. By consistently promoting energy-efficient solutions and maintaining market engagement, BetterBricks helps ensure that the Northwest market remains receptive to new initiatives and programs aligned with NEEA's broader goals.

	This centralized approach enhances the efficiency of fund utilization by streamlining efforts and reducing redundancy. Through coordinated engagement and a unified commercial engagement strategy, BetterBricks maximizes the impact of each interaction, reduces market confusion, and saves time and resources. By leveraging shared insights and strategies across multiple programs, BetterBricks strengthens regional alignment and delivers greater value to funders and stakeholders.

Section 2 – Goals & Activities

2026 Goals	Critical Activities	Target	Threshold
Increase BetterBricks brand awareness and audience reach.	• Engage with target audiences and drive website traffic through BetterBricks social channels (LinkedIn and YouTube). • Develop and deploy a targeted paid media campaign to drive more mid- and up-stream decision makers to betterbricks.com. • Sponsor and attend industry events and conferences to increase awareness where target audiences are in attendance. • Partner with local organizations and industry influencers to expand BetterBricks' reach in lower-reach markets. • Plan and implement a BetterBricks market awareness study to assess commercial building decision-makers' familiarity with the brand, their needs, and key influencers. Use the findings to prioritize outreach efforts and improve measurement of brand awareness and audience reach over time.	Increase website traffic by 12% year-over-year.	Increase website traffic by 8% year-over-year.
Influence commercial building industry perspectives and practices.	• Create and disseminate success stories that highlight the positive impact of energy-efficient solutions and provide real-world testimonials for industry peers to adopt similar practices. • Host or co-host BetterBricks webinars and in-person events such as building tours to offset technology-specific content and provide audience-targeted market education. • Develop and/or direct target audiences to tools and resources that support the adoption of whole-building upgrades. • Curate and/or create customer case studies and testimonials to reflect energy efficiency benefits and applicability to a greater variety of audience and building types, including rural areas and smaller projects to drive awareness of opportunities to Northwest commercial building owners and operators.	• Engage in 15 market events, including hosting or cohosting at least two. • Publish 12 pieces of original content.	• Engage in 10 market events, includinghostin g or cohosting at least one. • Publish eight pieces of original content

	• Build and strengthen relationships with strategically selected trade organizations and industry influencers to amplify message and reach target audiences, including through content co-development and promotion. • Engage in regional educational events to reach and educate target audiences on commercial whole-building technologies and solutions (e.g. trade shows, conferences, webinars, roundtables, and lunch-and-learns).		

Program Name: Integrated Design Labs

Executive Summary – The mission of the Integrated Design Labs (IDLs) is to advance energy-efficient, high-performance, and healthy buildings across the Northwest by transforming how commercial, institutional, and residential buildings are designed, constructed, and operated. IDLs exist at Universities of Idaho, Oregon and Washington, and Montana and Washington State Universities.

The IDLs serve as critical partners to NEEA's Market Transformation efforts, accelerating progress through research, technical assistance and education that supports both NEEA programs and market partners.

NEEA provides two types of funding to support the IDLs:

1. Base funding: Supports core lab operations, including exploratory research, facility and equipment costs, and staffing,
2. Services funding: Supports discreet projects that contribute to NEEA's Emerging Technology and program work. These projects are reflected in other Operations Plans and budgets.

Section 1 – Program Overview

Description	The Integrated Design Lab (IDL) network plays a crucial role in advancing energy-efficient design and building performance across the Northwest. By partnering with major universities in the region, the IDLs foster a collaborative environment that drives innovation and delivers practical solutions for high-performance buildings. Their work has directly influenced the design and construction of hundreds of buildings, resulting in significant energy savings and positioning the Northwest as a national leader in energy-efficient design. The IDLs support a wide range of stakeholders, including architects, engineers, and policymakers, by offering technical assistance, conducting research, and developing educational programs. Their contributions have been instrumental in refining methodologies for energy code compliance and providing research support for state-level energy code change proposals. Through these efforts, the IDL network strengthens the region's building performance, energy efficiency and long-term resilience.
Value to the Northwest	The IDL network collaborates to identify, test and evaluate energy-efficient solutions for the built environment. Together, their work: • Explores and tests solutions—such as grid-interactive efficient buildings—to address rapidly emerging challenges unique to each micro-region, feeding NEEA's Emerging Technology pipeline.

	• Supports equitable delivery of energy efficiency solutions by providing localized context and insights that improve the relevance and efficacy of interventions. • Influences new construction and renovation projects to cost-effectively achieve compliance with emerging policies (e.g., Building Performance Standards) and serve as a model for future buildings and practices. • Quantifies and verifies energy savings and non-energy benefits—such as peak load reductions—resulting from new technologies and practices. • Develops advanced tools, methods and technologies that accelerate energy-efficient building practices through research and project-based education. • Delivers educational programs and experiences that help shape the next generation of leaders in the building industry. • Creates leads and opportunities at very early phases of project development, when efficiency can be most effectively influenced.

Appendix B: 2025-2029 Scorecard

Market Transformation Metrics		Business Plan Estimate
Electric Portfolio	5-year (2025–2029) Co-Created Energy Savings	195–225 aMW
	10-year (2025–2034) Co-Created Energy Savings	365–470 aMW
	5-year Carbon Reduction (thousand tons)	780–900
	5-year Winter Peak Load Savings[6] (MW)	390–475
	5-year Summer Peak Load Savings[7] (MW)	340–400
Natural Gas Portfolio	5-year (2025–2029) Co-Created Energy Savings	6–17 MM Therms
	10-year (2025–2034) Co-Created Energy Savings	10–51 MM Therms
	5-year Carbon Reduction (thousand tons)	70–200

Operational Metrics		2026 Target
Electric Portfolio	2026 Budget ($ Millions)	$42.3M
	Administrative Budget (% total)	<18%
	20-year Portfolio Benefit-Cost Ratio	≥1
Natural Gas Portfolio	2026 Budget ($ Millions)	$7.2M
	20-year Portfolio Benefit-Cost Ratio	≥1
Employee Engagement		≥ Annual industry benchmark[8]

[6] Based on winter peak hours, 6:00 p.m. weekdays in December, January and February.
[7] Based on summer peak hours, 6:00 p.m. weekdays in July and August.
[8] Industry benchmark is calculated annually based on industry responses.

Appendix C: 2026 Emerging Technology Activities by Product

This chart lists the products and activities NEEA staff are planning for 2026 to understand and advance emerging technologies. Actual activities will vary based on opportunities, coordination with other researchers, and available resources. A short definition for each activity is listed after the chart.

PRODUCT GROUP	PRODUCTS	TECHNICAL POTENTIAL ASSESSMENT	TEST METHOD DEVELOPMENT	PERFORMACE SPECIFICATION DEVELOPMENT	MANUFACTURER ENGAGEMENT	MARKET MONITORING	LAB TESTING	FIELD TESTING
BUILDING ENVELOPE	Dynamic Glazing					X		
	Envelope Sealing				X	X		
	High Performance Windows				X	X		
	Integrated Design					X		
	Integrated Envelope Performance Metric					X		
	Net-Zero Modular Home Construction				X			X
	Performance Path Code					X		
	Secondary Windows				X	X		X
	Vacuum Insulated Retrofit Wall System				X	X		X
	Vacuum Insulated Windows				X			
	Window Attachments (Films, Blinds)				X	X		
CONSUMER PRODUCTS	Combo Washer w/Heat Pump Dryers*				X	X	X	
	Residential Heat Pump Dryers*				X	X	X	
	Clothes Dryer Innovations (UV, Ultrasonic, others)					X		
	Commercial Clothes Washers					X		
	Commercial Cooking					X		

PRODUCT GROUP	PRODUCTS	TECHNICAL POTENTIAL ASSESSMENT	TEST METHOD DEVELOPMENT	PERFORMACE SPECIFICATION DEVELOPMENT	MANUFACTURER ENGAGEMENT	MARKET MONITORING	LAB TESTING	FIELD TESTING
CONSUMER PRODUCTS	Commercial Heat Pump Dryers (Electric)				X	X		
	Residential Refrigerators*		X		X	X	X	
	Displays/Monitors*		X	X	X	X	X	
	Induction Cooktops*				X	X		
	Laundry Centers w/Heat Pump Dryers*				X	X		
	Smart Home Energy Management				X	X		
	Thermo-electric Heat Pump Dishwasher				X			
	Televisions*		X	X	X	X	X	
HVAC	Advanced Residential Duct Sealing*	X	n/a	X	X	X		X
	Air Quality Monitoring and HVAC control					X		
	Alternative refrigerants				X	X		
	Cold Climate Heat Pump*			X	X	X		
	Combination Space and Water Heating (Combi)/Tri-Mode Heat Pumps				X	X		X
	Dual-Fuel/Hybrid Heating Systems (Gas/Electric)	X	X		X	X	X	X
	Efficient Rooftop Units*		X	X	X	X		
	Energy and Heat Recovery Ventilation*				X	X		
	Gas Heat Pump*				X	X	X	
	High Efficiency Dedicated Outdoor Air Systems*			X	X	X		X

PRODUCT GROUP	PRODUCTS	TECHNICAL POTENTIAL ASSESSMENT	TEST METHOD DEVELOPMENT	PERFORMACE SPECIFICATION DEVELOPMENT	MANUFACTURER ENGAGEMENT	MARKET MONITORING	LAB TESTING	FIELD TESTING
HVAC	Inverter driven package terminal heat pump		X	X		X		X
	Line Voltage Thermostats				X	X		
	Low Load Efficiency Residential Heat Pumps*	X	X	X	X	X		
	Multi-head System Analysis	X		X	X	X		X
	Optimized Residential Dual-Fuel HVAC Controls				X			X
	Radiant Heating/Cooling				X	X		
	Residential Heat pump commissioning products*		X	X	X	X	X	X
	Residential Heat Pump Advanced Features (adaptive defrost, low-energy crankcase heaters)*				X	X		
	Residential Heat Pump Minimize Auxiliary Heat*			X	X			
	Residential HVAC OpenADR & CTA-2045 Capabilities Development	X			X	X		
	Room Heat Pumps*	X			X	X		X
	Variable Speed Heat Pump*		X	X	X			
LIGHTING	Exterior LLLC with Integrated Storage*	X			X	X	X	X
	Intelligent Buildings					X		
	LED UV Lighting Applications					X		
	Luminaire Level Lighting Controls + HVAC *	X			X	X		X
	Network Lighting Controls				X	X		
	Outdoor Lighting Controls*	X			X	X	X	X

PRODUCT GROUP	PRODUCTS	TECHNICAL POTENTIAL ASSESSMENT	TEST METHOD DEVELOPMENT	PERFORMACE SPECIFICATION DEVELOPMENT	MANUFACTURER ENGAGEMENT	MARKET MONITORING	LAB TESTING	FIELD TESTING
LIGHTING	Residential Lighting Controls				X	X		
	Whole Building AI Control				X	X		
MOTORS/ DRIVES	VIDAR Advanced Motor Technology Assessment			X	X	X		
	Air Compressor Opportunity Assessment					X		
	Back-Up Generator Heat Pump Heater Testing and Validation				X			
	Fan Selection Analysis				X		X	
	Extended Motor Products - Pumps Additional Market Opportunities		X	X	X	X		
	Power Drive Systems Power Index	X	X	X		X		
	Power Quality and Factor Correction				X			X
	High Efficiency Induction Motors				X			X
	Circulator Controls and Applications		X	X		X		
	Electric operated Double Diaphragm Pumps*		X		X			X
	General Motor Products					X		
WATER HEATING	Heat Pump Water Heaters for challenging Installs*				X	X		X
	Industrial Heat Pump Market Inventory					X		
	Demand response enabled water heaters*		X	X	X	X		X
	Split System Water Heaters				X	X		X
	HPWHs Mid / Large-Scale multifamily			X	X	X		X

PRODUCT GROUP	PRODUCTS	TECHNICAL POTENTIAL ASSESSMENT	TEST METHOD DEVELOPMENT	PERFORMACE SPECIFICATION DEVELOPMENT	MANUFACTURER ENGAGEMENT	MARKET MONITORING	LAB TESTING	FIELD TESTING
WATER HEATING	Low-rise Multifamily Water Heating				X			X
	Commercial HPWH Water Heaters			X	X	X		X
	Central HPWH			X	X	X		X
	Hybrid (dual-fuel) Water Heaters				X	X		
	Pool Heating	X						
	Gas Heat Pump Water Heating*	X			X	X	X	X
	Water Loop Designs					X		

**Denotes work that directly supports an existing NEEA program.*

Definitions:

Technical Potential Assessment: Estimate of technical energy savings potential of a product given its in-the-field energy savings and the number of locations where it could be installed.
Test Method Development: Test methods are used to distinguish the performance of one product from another. A good method is repeatable, reproduceable, reasonably priced, and approximates real world operating conditions (representative).
Performance Specification Development: Once a test method is available, the performance of efficient products can be compared to market average (or Federal standard) products. A performance specification and certification can be added to make it easier for the market to identify the efficient product (e.g., Energy Star).
Manufacturer Engagement: Connecting with manufacturers and sharing the value of energy efficiency encourages manufacturers to consider energy efficiency during product development. Manufacturers provide important information on technology limitations and other constraints that may slow or stall product commercialization.
Market Monitoring: Tracking market trends and structure helps identify opportunities and barriers for new efficient products and often provides clues when strategic interventions in the market would be most effective.
Lab Testing: Used to understand energy efficiency and operation of products in a controlled environment. Enables isolation of innovations to better understand their impact on energy efficiency and product performance. When a standardized test method is used, it enables comparison with other products.
Field Testing: Used to establish and validate savings in real world situations.

Appendix D: 2025 Market Research and Evaluation Calendar

	DELIVERABLE NAME	DURATION OF RESEARCH	END DATE
CODES AND STANDARDS	Oregon & Washington Residential Code Compliance Evaluations	November 2025 – November 2026	December 2026
	Oregon Commercial Code Compliance Evaluation	October 2026 – April 2028	June 2028
	Residential Technical Assumptions Review	July 2026 – November 2026	December 2026
	Codes MPER #7	October 2026 – July 2027	August 2027
CONSUMER PRODUCTS	Retail Product Portfolio MPER #3	October 2026 – September 2027	October 2027
	Refrigerator Key Assumptions Review	January 2026 – March 2026	April 2026
	Room Heat Pump Air Conditioners Naturally Occurring Baseline Review	July 2026 – October 2026	November 2027
	TV Incremental Cost Study	July 2026 – October 2026	November 2027
	Clothes Washer Market Research	March 2026 – August 2026	September 2026
HVAC	Advanced Heat Pump MPER #1	September 2025 – August 2026	September 2026
	Advanced Heat Pump Baseline Key Assumption Review	February 2026 – December 2026	January 2027
	Advanced Heat Pump Savings Rate Calculation Review	January 2026 – May 2026	June 2027
	Ductless Heat Pump Market Diffusion Evaluation #4	October 2026 – April 2027	May 2027
	Efficient Rooftop Unit MPER #2	December 2025 – June 2027	July 2027
	High-Performance HVAC MPER #2	December 2025 – June 2027	July 2027
	Gas High Efficiency DOAS Key Assumptions and Baseline Review	October 2025 – March 2026	April 2026
	Commercial HVAC Key Assumptions Reviews	April 2026 – October 2026	November 2026
	Efficient Rooftop Unit Electric Expansion Market Research/Characterization	July 2026 – February 2027	March 2027

	Dual-Fuel Residential HVAC Focus Groups	October 2026 – March 2027	April 2027
	Dual-Fuel Residential Market Actor Research	April 2026 – December 2026	January 2027
	Advanced Heat Pump and Dual-Fuel Contractor Focus Groups	October 2025 – March 2026	April 2026
LIGHTING	Luminaire Level Lighting Controls MPER #4	September 2026 – May 2027	June 2027
	Luminaire Level Lighting Controls Incremental Cost Study	April 2026 – August 2026	September 2026
	Stand-Alone Embedded Controls Market Research	July 2026 – October 2026	November 2026
MOTOR-DRIVEN SYSTEMS	Extended Motor Products MPER #2	September 2025 – June 2026	July 2026
	Extended Motor Products MPER #3	November 2026 – August 2027	September 2027
	Motor-Driven Systems Industrial Market Research	November 2025 – July 2026	August 2026
NEW CONSTRUCTION	Manufactured Homes Market Diffusion Evaluation	October 2025 – February 2026	April 2026
WATER HEATING	Heat Pump Water Heater Installer Training Survey	October 2026 – February 2027	April 2027
	Heat Pump Water Heater Model Review	January 2026 – March 2026	April 2026
	Heat Pump Water Heater Model Review	December 2026 – March 2027	April 2027
	Commercial Gas Water Heaters Model Review	December 2026 – March 2027	April 2027
	Commercial Gas Water Heaters Market Actor Research	October 2026 – February 2027	April 2027

Appendix E: NEEA 2026 Marketing Calendar

Legend	
Upstream and mid-stream marketing activity	
Downstream marketing activity per RPAC definition	

WATER HEATING MARKETING OVERVIEW	Timing
ADVANCED COMMERCIAL WATER HEATING	
Support bringing new gas heat pump water heater product to market by offering strategic marketing consultation	*Ongoing*
Lead the creation and dissemination of marketing materials about completed field study results	*As needed*
HEAT PUMP WATER HEATER	
Provide ongoing marketing support to key distributors and installers (e.g., training materials, marketing content)	*Ongoing*
Review, update, and expand consumer- and contractor-facing technical assets on HotWaterSolutionsNW.org in support of increasing understanding of HPWHs and installation best practices	*Ongoing*
Optimize the Hot Water Solutions email marketing channel in support of greater distributor and installer education	*Monthly newsletter distribution*
Develop and run a consumer marketing campaign focused on strengthening awareness of HPWHs and encouraging replacement of electric water heaters	*Q3 and Q4*
Leverage the ENERGY STAR® Retail Products Portfolio and build retail relationships to drive increased awareness of and demand for HPWHs	*Ongoing*
Provide marketing support for the Hot Water Innovation Prize	*Ongoing*

HVAC MARKETING OVERVIEW	Timing
ADVANCED HEAT PUMPS	
Develop, publish, and promote marketing materials that bring awareness of advanced heat pump improvements and technologies (e.g., case studies, videos, infographics, fact sheets)	*Ongoing*
Disseminate marketing resources through BetterBuiltNW newsletters, social media, conferences, industry partners, and trade organizations	*Ongoing*
EFFICIENT ROOFTOP UNITS	
Refine messaging to inform targeted marketing communications and product positioning	*Ongoing*

Build new marketing materials (e.g., trainings, fact sheets, case studies) to increase awareness of the value propositions throughout the supply chain	*Ongoing*
HIGH-PERFORMANCE HVAC	
Review and refine messaging for market-facing content	*Ongoing*
Develop and promote case studies to educate the target audience about the energy savings and non-energy benefits resulting from very high efficiency DOAS	*Ongoing*
Help build and advance the implementation outreach plan through the execution of strategic marketing initiatives	*Ongoing*

LIGHTING MARKETING OVERVIEW	Timing
LUMINAIRE LEVEL LIGHTING CONTROLS (LLLC)	
Develop case studies and success stories to increase decision-maker understanding and acceptance of LLLC's business value	*Ongoing*
Target influential industry organizations with training and resources reinforcing LLLCs' relevance for lighting professionals (designers, specifiers, and installers) and their clients	*Ongoing*
Support development and promotion of LLLC webinars, industry events, and speaking opportunities throughout the region	*Targeted events and as opportunities arise*

MOTORS MARKETING OVERVIEW	Timing
EFFICIENT FANS	
Conduct marketing focus groups and build targeted audience profiles and messaging based on their needs and potential intervention points	*Q1 and Q2*
Develop, publish, and promote marketing materials that raise awareness of the value proposition of efficient fans and the Fan Energy Index metric (e.g., case studies, articles, infographics)	*Ongoing*
EXTENDED MOTOR PRODUCTS (XMP) - PUMPS	
Develop and publish marketing content to drive market education and awareness, focusing on the value of the informational labels and non-energy benefits	*Ongoing*
Produce new content in support of regional distributor trainings and industry organizations' educational programming	*Ongoing*
Collaborate with Hydraulic Institute to advance training programs and champion smart pump marketing	*Ongoing*

ENABLING INFRASTRUCTURE MARKETING OVERVIEW	Timing
BETTERBRICKS – COMMERCIAL	
Create and curate commercial building case studies to reflect energy efficiency's benefits to a greater variety of audience and building types, including lower-reach areas and smaller projects	*Ongoing*
Host or co-host with partners BetterBricks-led webinars and in-person events (e.g., building tours) to offset technology-specific content and provide audience-targeted market education	*Targeted events and as opportunities arise*
Optimize the BetterBricks social marketing channels to increase education around the benefits of energy-efficient building upgrades	*Ongoing*
Develop and deploy a targeted paid media campaign to reach commercial building decision-makers and drive qualified traffic to BetterBricks.com	*Q2 to Q3*
Conduct a baseline market study to understand the commercial building decision-maker audience's brand awareness and needs	*Q2 to Q3*
Maintain trade industry partnerships and conference sponsorships	*Targeted events and as opportunities arise*
Support training and educational efforts with strategic partners (e.g., Integrated Design Labs, BOMA chapters, New Buildings Institute) to promote whole building efficiency solutions	*Ongoing*
BETTERBUILTNW – RESIDENTIAL NEW CONSTRUCTION	
Plan BetterBuiltNW.com website redesign to improve user experience and access to resources among target audiences (site to relaunch in 2026), while keeping in mind future residential NEEA programs	*Q1 through Q4*
Develop new content (e.g., case studies, fact sheets, infographics, trainings) and promote on BetterBuiltNW marketing channels	*Ongoing*
Optimize the BetterBuiltNW email marketing channel to drive increased understanding of the value of incorporating highly efficient technologies	*Monthly newsletter distribution*

Appendix F: Value Metrics by Program

The table below is for the programs that are represented directly in this operations plan, not a full accounting for the portfolio[9]. NEEA will utilize funding in Cycle 7 to advance new technologies and develop new Market Transformation programs, as well as new state code and federal and state product standards for the region. These new opportunities will be added to this appendix as they are developed.

	Technical Achievable Potential[10] (aMW or Therms)	2025-2029 Co-Created Savings[11] Forecast (aMW or Therms)	2025-2034 Co-Created Savings Forecast (aMW or Therms)	Benefit-Cost Ratio	Winter Peak Factor[12] (MW/aMW)	Summer Peak Factor[4] (MW/aMW)	2025-2029 Co-Created Avoided Emissions[13] (tons CO2e)
Programs in this Plan with Forecasts							
Retail Product Portfolio	*340*	*28-41*	*54-82*	*2.1*	*1.7*	*1.7*	*114,000-167,000*
Heat Pump Water Heaters	*260*	*21-26*	*172-210*	*1.6*	*1.8*	*2.1*	*85,000-105,000*
High-Performance HVAC	*30*	*0.5-1*	*3-7*	*1.9*	*2.4*	*0.6*	*2,000-4,000*
Efficient Rooftop Units (Gas)	*3 MM Therms*	*0.1-1.0 MM Therms*	*0.5-2 MM Therms*	*1.1*	*N/A*	*N/A*	*500-6,600*
Extended Motor Products – Pumps	*100*	*6-7*	*12-15*	*1.3*	*1.9*	*0.9*	*16,000-28,000*
Luminaire Level Lighting Controls	*55*	*7-12*	*28-33*	*1.1*	*1.6*	*1.3*	*28,000-48,000*
Codes and Standards[14]							
Residential New Construction	*N/A*	*43-89*	*72-185*	*N/A*	*2.7*	*1.3*	*175,000-360,000*
Residential New Construction (Gas)	*N/A*	*2-6 MM Therms*	*5-14 MM Therms*	*N/A*	*N/A*	*N/A*	*20,000-73,000*
Commercial New Construction	*N/A*	*42-48*	*108-135*	*N/A*	*2.3*	*1.6*	*171,000-195,000*
Commercial New Construction (Gas)	*N/A*	*0.9-1.4 MM Therms*	*1-10 MM Therms*	*N/A*	*N/A*	*N/A*	*6,000-8,500*
Standards – Consumer Products	*N/A*	*3-3.5*	*3-3.5*	*N/A*	*1.3*	*3.2*	*12,000-14,000*
Standards – Non-residential Products	*N/A*	*8-9.5*	*8-12*	*N/A*	*1.3*	*3.2*	*32,000-39,000*
Programs in Development							
Advanced Commercial Water Heating	*21 MM Therms*	*TBD*	*TBD*	*TBD*	*N/A*	*N/A*	*TBD*
Advanced Heat Pumps	*70*	*TBD*	*TBD*	*>1*	*2.6*	*2.9*	*TBD*
Efficient Fans	*150*	*TBD*	*TBD*	*TBD*	*TBD*	*TBD*	*TBD*
Programs in Market Diffusion[15]							
Ductless Heat Pumps	*98*	*3-3.5*	*3.5-4*	*N/A*	*3.2*	*0.1*	*12,000-14,000*
Strategic Energy Management	*N/A*	*12-14*	*TBD*	*N/A*	*1.7*	*1.5*	*48,000-57,000*
Manufactured Homes	*11*	*0.5-0.7*	*0.7-1.2*	*N/A*	*4.2*	*0.4*	*2,000-2,800*

[9] Tracking against the value metric forecasts included with the 2025-2029 Business Plan will be done via quarterly scorecard reporting as NEEA progresses through the 2025-2029 funding cycle.

[10] **Technical Achievable Potential** is the amount of energy use that efficiency can realistically be expected to displace assuming the most aggressive program scenario possible. This is often referred to as maximum achievable potential. Achievable potential considers real-world barriers to convincing end-users to adopt efficiency measures, the non-measure costs of delivering programs (for administration, marketing, tracking systems, monitoring and evaluation, etc.), and the capability of programs and administrators to ramp up program activity over time.

[11] **Co-Created Savings** are all energy savings above baseline that occur in the market due to the combined efforts of utilities, NEEA and other actors.

[12] **Peak Factor** is a representation of the amount of peak savings for each average megawatt of efficiency achieved by that program. This will be used as one portfolio metric in the 2025-2029 cycle.

[13] **Avoided Emissions** are the tons of carbon-dioxide equivalent that are not added to the atmosphere due to the impacts of efficiency.

[14] **Codes and Standards** include savings from both the previous investments in current energy codes and efficiency standards as well as forecasted future developments.

[15] **Programs in Market Diffusion** are those where NEEA is no longer implementing Market Transformation strategies but continues to track and evaluate the uptake and transformation of these markets.