

NEEA QUARTERLY REPORT

Q3 2025 // Performance Highlights

A Note from the Executive Director

The last quarter has been a busy one with staff focused on developing NEEA's annual 2026 Operations Plan. The plan outlines key activities over the next year, highlighting opportunities across our existing work to accelerate our market impact.

It also identifies some new and innovative ways to break down barriers like affordability, availability, and customer choice across both electric and natural gas, so that every household and business in our region can benefit from efficiency.

NEEA's recent activities to accelerate efficiency have included foundational work to advance building codes in Idaho and Montana, dual-fuel pilots in Oregon and Washington to better understand how to optimize heating loads, and a regional consumer awareness campaign to promote heat pump water heaters, with a specific focus on rural communities. NEEA also launched the second phase of its Northwest Marketplace pilot, an online platform designed to raise awareness, increase action and track purchases of efficient consumer products across the region. Since its debut in November 2024, over 35,000 Northwest residents have used the site to search over 30 categories of energy-efficient products and appliances.

More highlights from NEEA's work are available in the quarterly newsletters linked below. Please reach out to NEEA staff directly with questions.

A handwritten signature in black ink that reads "Becca Yates".

Becca Yates, Executive Director

ADDITIONAL RESOURCES:

> [Quarterly NEEA Newsletters](#)

> [Quarterly Market Progress Report](#)

Delivering on Cycle 7 Mission + Purpose

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

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

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

| Portfolio Priorities | Q3 Updates |
|--|--|
| 2025 Portfolio Goal: Maintain progress in key electric portfolio programs driving NEEA’s Cycle 7 energy savings, while exploring opportunities that align with evolving regional needs. | |
| Heat Pump Water Heaters (HPWH) | <ul style="list-style-type: none">• <i>Launched a regional heat pump water heater marketing campaign running this fall. The campaign seeks to raise awareness of heat pump water heater technology throughout the region, with a focus on rural areas. It introduces some new message testing, including around ‘DIY’ and ‘reducing energy waste’ that will help inform future program outreach.</i>• <i>Collaborated with multiple manufacturers to ready prototype water heaters for lab testing as part of the Hot Water Innovation Prize contest. This prize encourages innovation to address small spaces and other challenging installations, with a goal of expanding consumer choice options by increasing the variety of water heating products available on the market.</i> |
| Retail Product Portfolio (RPP) | <ul style="list-style-type: none">• <i>Completed clothes dryer test method research with results supporting test method changes that more reliably identify efficient dryers and predict their real-world efficiency. The team is now exploring adoption barriers for all-in-one washer/dryers to identify improvements that could accelerate market uptake of heat pump dryers while ensuring performance.</i> |

| Portfolio Priorities | Q3 Updates |
|---|--|
| 2025 Portfolio Goal: Continue development of the natural gas portfolio and dual-fuel systems. | |
| Natural Gas/Dual-Fuel Portfolio | <ul style="list-style-type: none"> Advanced the Dual-Fuel Residential HVAC Program into program development with a vote by the Natural Gas Advisory Committee. This initiative promotes energy-efficient systems that save energy, deliver year-round comfort and cost savings and offer grid benefits. Published a National Efficient Rooftop Unit Energy Modeling Study of an extensive range of packaged electric and natural gas rooftop equipment and efficiency measures in climate zones throughout the U.S. Expanding these modeling efforts influences manufacturers to incorporate more efficiency features in their products and increases alignment with extra-regional partners that could inform a voluntary national standard for the RTU market. |
| 2025 Portfolio Goal: Collaboratively develop End-Use Load Flexibility and Whole Building special projects. | |
| End-Use Load Flexibility | <ul style="list-style-type: none"> Reviewed the Draft End-Use Load Flexibility 2026-2029 Strategic and Business Plan with NEEA's Board of Directors. This plan outlines a proposed regional Market Transformation approach to accelerate load flexibility as a resource. Completed portfolio prioritization with the Steering Committee to inform third draft of the Strategic and Business Plans. Reviewed Portland State University's Compliance and Conformance testing for connected water heaters, demonstrating the variance across manufacturers' load flexibility performance. NEEA staff are now partnering with PSU to develop an implementation guide to help manufacturers improve product performance and deliver higher value. |
| Whole Building | <ul style="list-style-type: none"> Developed prototypes for five Market Transformation intervention concepts. Interviews with building owners, managers, brokers and other market actors are underway to gather feedback and guide a broader-scale Market Transformation concept for the region. Completed several studies to inform market characterization, including commercial building stock analysis, building owner segmentation study, and an analysis of Washington and Seattle building performance standard (BPS) help desk engagement. Shared this research with project Steering Committee to inform their commercial programs. |
| Additional Priorities | Q3 Updates |
| Other notable highlights. | |
| Market Research + Evaluation | <ul style="list-style-type: none"> Completed the first Market Progress Evaluation Report (MPER) for NEEA's Efficient Rooftop Units program, which found that six manufacturers, including two industry leaders, now offer efficient rooftop units. While awareness is high, the study made several recommendations to address barriers to product adoption. Published the third Market Progress Evaluation Report for the Luminaire Level Lighting Controls (LLLC) program. The report shows steady year-over-year market growth, near-universal awareness among installers, and rising numbers of installers and specifiers bidding projects that include LLLC. |

| | |
|-------------------------------|--|
| Data Strategy | <ul style="list-style-type: none"> • Transitioned data processing and management from contractors to in-house NEEA staff for HVAC and Retail Product Portfolio programs. Strategically bringing data ownership in-house has increased NEEA's sightlines into product sales, improved data quality and integrity while delivering budget and timeline efficiencies. |
| Codes + Standards | <ul style="list-style-type: none"> • Supported efforts to advance building energy codes in Montana and Idaho, as both states actively considered adoption of the 2024 International Energy Conservation Code (IECC). In response to agency requests for public input, NEEA-facilitated code collaboratives developed and submitted comments, helping guide informed decision-making in both states. • Submitted 14 comment letters this quarter on proposed regulatory activity by the U.S. Department of Energy (DOE) on federal appliance standards, to help ensure that national regulatory approach reflects Northwest consumer needs. |
| Risk Management | <ul style="list-style-type: none"> • Completed NIST CSF (National Institute of Standards and Technology Cybersecurity Framework) audit showing year-over-year improvement in control compliance and reduced risk exposure. • Completed Audit of 403(b) retirement plan and submitted federal form 990 tax return and state returns. |
| Regional Collaboration | <ul style="list-style-type: none"> • Concluded a three-year collaborative review process with Avista, Idaho Power, NEEA's Cost Effectiveness and Evaluation Advisory Committee (CEAC) and NEEA's Board of Directors. This collaborative effort was in response to an Idaho Commission request to evaluate NEEA's methodology and clarify claimed savings from electric building codes in Idaho. |



Market Transformation Metrics

| | Business Plan Estimate | Current Forecast | Status |
|---|------------------------|------------------|--------|
| Electric Portfolio Energy Savings | | | |
| 5-year (2025–2029) Co-Created Energy Savings (aMW) | 195–225 | 195–225 | |
| Natural Gas Portfolio Energy Savings | | | |
| 5-year (2025–2029) Co-Created Energy Savings (MM Therms) | 6–17 | 6–17 | |
| <div> <div></div> Within 5% of target <div></div> Within 5-10% of target <div></div> More than 10% from target </div> | | | |

Current Forecast: NEEA is tracking emerging external factors and federal policy changes to assess related impacts to near-term savings expectations. NEEA reviews the full cycle savings forecasts twice a year and plans to refine the forecasted range for the cycle in 2027.

Operational Metrics

| | Actual | Forecast | Budget / Target | Status |
|--|--------|----------|-----------------|--------|
| Electric Portfolio | | | | |
| YTD Investment (\$M) | \$26.5 | \$28.5 | \$28.4 | |
| Full Year Investment (\$M) | N/A | \$38.1 | \$38.7 | |
| Natural Gas Portfolio Energy Savings | | | | |
| YTD Investment (\$M) | \$3.9 | \$4.5 | \$4.6 | |
| Full Year Investment (\$M) | N/A | \$5.6 | \$5.9 | |
| Administrative Budget | | | | |
| Administrative Expenses (%) | 16.3% | N/A | <18.0% | |
| <div> <div></div> Within 5% of target <div></div> Within 5-10% of target <div></div> More than 10% below target </div> | | | | |

Variance Notes:

Electric Portfolio: The YTD variance reflects vacancy, delays in G&A spending (that will likely shift into 2026) and delays in program activity that are planned to be completed later in 2025.

Natural Gas Portfolio: The main drivers of the YTD variance are related to staffing vacancy (which has been filled) and delays in program work that staff expect to be completed by the end of 2025.

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

Total Regional Energy Savings: All energy savings calculated above the pre-intervention market starting point.

Administrative Expenses: Percent of total budget dedicated to business administration and executive cost centers.