NEEA QUARTERLY REPORT

Q4 2025 // Performance Highlights

A Note from the Executive Director

NEEA wrapped up 2025 with much to celebrate, highlighted by our Annual Board Meeting and the Leadership in Energy Efficiency Awards. More than 200 regional stakeholders joined us to recognize leaders whose work continues to deliver measurable impact for energy efficiency across the Northwest.

In December, the Board approved two foundational actions that set the course for the coming years. The 2026 Operations Plan establishes clear priorities to expand market reach, advance emerging technologies, and ensure efficient, reliable options for both electric and gas customers. In addition, the Board unanimously approved the 2026–2029 End-Use Load Flex Market Transformation portfolio, marking a significant milestone for the region's first Market Transformation initiative focused on end-use load flexibility. This work positions the region to help manage growing electric demand by making energy use more efficient, connected, and controllable.

At the heart of NEEA's work are our relationships, and that was evident throughout the quarter. Our staff were deeply engaged in regional and national conversations about the role of energy efficiency and load flexibility in supporting resource adequacy amid increasing demand. These engagements included participation in the American Council for an Energy-Efficient Economy's (ACEEE) Energy Efficiency as a Resource conference Plenary Panel, a dual-fuel HVAC presentation at the October Pacific Northwest Utilities Conference Committee (PNUCC) meeting, and other presentations at the Northwest Gas Symposium as well as Northwest Public Power Association and American Evaluation Association events.

NEEA also maintains close partnerships with manufacturers who are bringing new technologies to market. Recently, NEEA staff convened executives from Navien, an HVAC and water heating manufacturer, and Northwest utilities to explore Navien's new dual-fuel residential heat pump water heater. This technology illustrates the type of solution that NEEA is working to accelerate to reduce overall energy use, support load flexibility, and respond to customer and system needs. Innovations like this underscore the value of close collaboration as we all work together to meet the region's evolving energy challenges.

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

Becca Yates

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	*Q4 Updates*
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)	• *Increased the number of installers listed on Hot Water Solutions by 15%, to a total of 133 installers to ensure product availability, accessible training and strong installer support across the Northwest. Installers were added from all four states in the region in 2025.* • *Ran a 3-month, bi-lingual "Level Up" campaign to support heat pump water heater adoption by raising consumer awareness for these products, with a focus in rural areas of the region. Both English and Spanish content demonstrated strong engagement across platforms, with over 235,000 clicks and substantial website activity from audiences across the Northwest. Campaign results represent a 30% increase in web sessions over the previous 2024 campaign.* • *Collaborated with the Advanced Water Heater Initiative (AWHI) on identifying key barriers, opportunities, and stakeholders across the Southeast, Northeast, Southwest, and Northwest. This work will help enable collaboration and national alignment that complements Northwest activities and supports national investment in HPWHs, leading to stronger adoption in the Northwest in preparation for the upcoming federal standard.*
Extended Motor Products	• *Grew regional market share of efficient Smart Pumps to 23% in 2025, meeting NEEA's target.* • *Completed a market research study exploring the applicability of NEEA's Extended Motor Products (XMP) – Pumps program to the Northwest's agricultural irrigation pump market. The study found that efficient pumping represents an opportunity to lower costs and improve yield for Northwest farmers.*

Retail Product Portfolio (RPP)	• *Strengthened retail partnerships and broadened consumer awareness of ENERGY STAR® televisions through two regional ad campaigns: partnering with Best Buy to advertise on Best Buy and other websites; and with Costco on a campaign for ENERGY STAR televisions, running in Costco stores throughout the Northwest.* • *Distributed a newly developed Evaluation Toolkit to ENERGY STAR Retail Products Platform (ESRPP) program sponsors in Q4, to guide evaluation efforts to measure and report energy savings resulting from this unique collaborative market approach to motivating retailers to sell more efficient goods and appliances.*
Portfolio Priorities	***Q4 Updates***
Portfolio Goal: Continue development of the natural gas portfolio and dual-fuel systems.	
Natural Gas/Dual-Fuel Portfolio	• *Published **Dual-Fuel Heat Pump Systems Analysis** that examined heating performance and cost-effectiveness across five control schemes, multiple climate zones and heat pump technologies. Key findings highlight design considerations and optimal switchover temperature set points to help balance comfort, energy use and upfront costs.* • *Kicked off Advanced Commercial Water Heating program dual-fuel field demonstrations to test and meter six different load variations throughout the region. Each demonstration will take place over a full year, with final reports expected in Q1 2027.*
Portfolio Goal: Collaboratively develop End-Use Load Flexibility and Whole Building special projects.	
End-Use Load Flexibility	• *Marked a major milestone for the region's first end-use load flexibility initiative as NEEA's Board of Directors unanimously approved the 2026–2029 End-Use Load Flex Market Transformation portfolio.* • *Developed a draft 2026 workplan for Steering Committee review, including a diversified portfolio focused on residential batteries and storage water heaters, as well as small and medium commercial building opportunities. Other efforts include electric vehicle charging, commercial central hot water systems and batteries.*
Whole Building	• *Completed data analysis, secondary research and interviews gathering feedback on early concepts to inform the future-looking market transformation concept, Market Transformation theory, and the next phase of the project.*
Additional Priorities	***Q4 Updates***
Other notable highlights.	
Technical Research	• *Published findings from the **Low-Load Efficient Heat Pump Investigation: 2020-2025 Summary Report**. Study finds evidence of value and market potential for heat pumps that operate more efficiently under low-load conditions, and highlights opportunities for manufacturers and consumers alike to benefit from better-performing systems.*
Risk Management	• *Completed annual National Institute of Standards and Technology (NIST) Cybersecurity Audit, showing significant improvement in controls compliance and risk profile.*

Regional Studies	• *Reviewed draft Commercial Building Stock Assessment (CBSA) data and reporting deliverables with the CBSA workgroup, and advanced the Motor System Stock Assessment, selecting contractors and beginning study-design planning.*

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	

Within 5% of target *Within 5-10% of target* *More than 10% from target*

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 by 2027.* ***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.*

Operational Metrics

	Actual	Forecast	Budget / Target	Status
Electric Portfolio				
YTD Investment ($M)	$36.3	$38.1	$38.7	
Natural Gas Portfolio Energy Savings				
YTD Investment ($M)	$5.3	$5.6	$5.9	
Administrative Budget				
Administrative Expenses (%)	15.8%	N/A	<18.0%	

Within 5% of target *Within 5-10% of target* *More than 10% below target*

Electric Portfolio: *The YTD variance reflects vacancy, delays in G&A spending (that will shift into 2026) and delays in program activity that also have shifted into 2026.* ***Natural Gas Portfolio:*** *The main drivers of the YTD variance are related to staffing vacancy and under-utilization and delays in program work that staff expect to be completed in 2026.* ***Administrative Expenses****: Percent of total budget dedicated to business administration and executive cost centers.*