



# Regional Portfolio Advisory Committee

## Q2 2026 Meeting Notes

May 19, 2026

9:30am – 3:00pm PST

Online Only

### Meeting Attendees

#### Committee Members:

Bill Hibbs, Clark Public Utilities

Billie McWinn, Idaho Power

Emily Gilroy, Washington Utility and Transportation  
Commission

Jeff Feinberg, Snohomish Public Utility District

Lis Saunders, Tacoma Power (interim for Bryan  
Russo)

Phillip Kelsven, Bonneville Power Administration  
Reuben Arts, Avista

Whitney Jurenic, NorthWestern Energy

NEEA Staff: Alisyn Maggiora, Alexis Muench, Becky Walker, Britt Cutsforth Dawkins, Dave Hammond, Emily Moore, Emily Rosenbloom, Mike Smith, Nick Michel, Stephanie Rider

### Resources

- Agenda Packet: [Q2-2026-RPAC-Agenda-Packet.pdf](#)
- Slide Deck: [Q2-2026-RPAC-Meeting-Slides.pdf](#)

### Welcome, Introductions & Agenda Review

#### Housekeeping and Looking Ahead ([Slides 9-11](#))

Alisyn Maggiora ([amaggiora@neea.org](mailto:amaggiora@neea.org)) reviewed informational memos included in the packet. The New Homes Protocol measure memo noted that a decision is expected in July following discussions at the Regional Technical Forum, and Committee members with affected programs were directed to review the memo and contact Mark Rehley ([mrehley@neea.org](mailto:mrehley@neea.org)) with questions. The Heat Pump Water Heater Work Group has met three times and is progressing well, with content available in the memo for interested members. The Market Progress Report included in the packet documents all programs, their 2026 goals, and current year-to-date progress.

Two significant research efforts are underway that may involve utility engagement. The first is an Advanced Heat Pumps field study led by Suzi Asmus ([sasmus@neea.org](mailto:sasmus@neea.org)), the Advanced Heat Pumps Program Manager, which will involve online customer surveys and in-home inspections to better understand setbacks and other factors affecting expected heat pump savings. Recruitment is scheduled to begin at the end of June. Utilities may be asked to support recruitment through mailers, customer contact information, or logo co-branding on outreach materials, and an email to utility representatives on residential coordinating committees is expected within two weeks. The second is the Motor System Stock Assessment, similar in structure to the Residential Building Stock Assessment and Commercial Building Stock Assessment but targeting industrial facilities. Utilities with key

account or high-touch industrial customers should be aware this research is active and consider timing and coordination with their customer relationships accordingly.

Alisyn flagged that the Q4 2026 RPAC meeting was inadvertently scheduled on November 3, Election Day, and proposed moving it to Monday, November 2, as an afternoon meeting. Committee members were asked to flag any major organizational or industry conflicts by early June. Alisyn also highlighted that Efficiency Exchange 2026 was held in Boise. She noted it was a standout event and thanked Idaho Power for their hosting. A link to event photos is available in the slides.

## Annual Electric Portfolio Review: Savings & Risks ([Slides 14-25](#) | [Packet 3-9](#))

Stephanie Rider ([srider@neea.org](mailto:srider@neea.org)) and Mike Smith ([msmith@neea.org](mailto:msmith@neea.org)) provided the annual mid-cycle review of the Northwest Energy Efficiency Alliance's (NEEA) electric portfolio. From a programmatic standpoint, NEEA entered Cycle 7, covering 2025 through 2029, with a mature portfolio built over more than two prior business cycles, with nine programs in later stages of maturity. Three market progress evaluation reports completed in 2025 covering the Retail Products Portfolio, Heat Pump Water Heaters, and Luminaire Level Lighting Controls all signaled strong advancement. Quantitative metrics including adoption rates and market share show flat to strong double-digit increases, a consistent trend that gives NEEA confidence in both near and long-term portfolio potential.

Against that positive backdrop, the portfolio is navigating significant headwinds from the external policy environment. At the start of Cycle 7, approximately 25 percent of expected energy savings value was projected to come from new product standards and new building codes. Due to delays in code opportunities, lower new construction volume, and the removal of federal product standards, that share has dropped to only five percent of portfolio value, a reduction of more than 50 percent from original expectations. These opportunities still exist on the long-term horizon but are not expected to materialize within the current cycle. The remaining 75 percent of the portfolio is on solid footing, with strong adoption trends and positive market indicators giving NEEA confidence in delivering the bulk of the cycle's energy savings expectations.

In response to these headwinds, NEEA developed and began executing a leveraged growth strategy that seeks to broaden existing program work rather than invest in entirely new technologies in the early years of the cycle. This approach capitalizes on the strong relationships and market knowledge NEEA has built over more than a decade across a broad set of markets. Five programs currently have active short-term expansion strategies, directing resources toward product extensions, market extensions, and new distribution channels. An official reforecast of Cycle 7 energy savings expectations is in progress and expected later this year. The lower bracket of the savings range is expected to widen, though Cycle 7 outcomes are still expected to exceed Cycle 6. On the long-term view, the portfolio has over 400 average megawatts of total lifetime co-created savings potential under active investment, with an additional approximately three hundred average megawatts in early development stages.

Mike presented three technologies under active consideration for near-term program expansion as part of the leveraged growth strategy. The first is Luminaire Level Lighting Controls with HVAC integration. The existing Luminaire Level Lighting Controls program, which has been in Market Development since 2019, includes embedded occupancy sensors in each lighting fixture that can communicate a control signal with other building systems including HVAC. Integrating those sensors with HVAC controls, particularly for single-zone rooftop units, would generate HVAC energy savings on top of existing lighting savings. Research led by Chris Wolgamott is focused on demonstration projects to quantify savings potential. A multi-site pilot is being stood up with Energy

Trust of Oregon, and additional sites are being scoped across the region, including Idaho and Montana. The demonstrations are also incorporating load flexibility research conducted in partnership with manufacturers.

The second opportunity is Commercial Heat Pump Water Heaters, covering both central plant and unitary in-unit systems such as those found in multifamily buildings. NEEA has been researching this technology for some time and found that energy savings alone were previously insufficient to warrant a standalone market transformation program. However, the large thermal storage inherent in these systems presents significant load flexibility potential, and the overlap with market actors already engaged by the gas-funded Advanced Commercial Water Heating program makes it a natural fit as an all-electric configuration option.

The third opportunity is electric and dual-fuel rooftop units. The current Efficient Rooftop Unit program focuses on gas savings through system-level improvements including shell insulation and damper leakage reduction. A growing number of electric and dual-fuel rooftop unit products are entering the market, presenting the same opportunity to deliver electric savings through identical system improvements. An expanded program offering the full suite of rooftop unit types would also be better positioned with the vendors and distributors who are already selling across fuel types.

Mike also provided a scan of five additional technologies under longer-range review for potential future programs. Commercial displays and monitors represent a growing and not-yet-standardized sector, with movement in Europe on efficiency standards that could be leveraged for the North American market. Exterior Luminaire Level Lighting Controls would extend the luminaire-level controls concept to parking lots and outdoor lighting, with emerging load flexibility potential through battery integration in exterior fixtures. Power drive systems, including variable frequency drives and adjustable speed drives, address the large number of constant-speed motors still in commercial and industrial settings; innovation from the electric vehicle sector is producing integrated motor-drive products that lower installation barriers, and NEEA is engaged with the National Electrical Manufacturers Association and a motors coalition on new performance metrics. Room heat pumps are a rapidly evolving market offering an affordable heat pump option with plug-and-play installation potential at standard 120-volt outlets, suitable for spaces currently using electric resistance heating or cooling-only window air conditioners. Finally, a dual-fuel residential water heater combining a condensing gas water heater and a 120-volt plug-in electric heat pump in one integrated package is in prototype testing, with lab tests currently open and field test sites being readied alongside energy modeling work.

## Discussion

**Jeff Feinberg (Snohomish PUD):** At what point is BPA interacting with these technologies as NEEA explores things like commercial heat pump water heaters and dual fuel systems? We've been trying to work with some of our commercial customers on central heat pump water heating, and navigating the measurement and verification and dual fuel pieces in a territory that doesn't allow fuel switching has been complex. I'm wondering what that looks like for NEEA as it explores some of these things.

**Mike Smith (NEEA):** Great question. On my team, Adam Gage has been doing most of the research on the dual fuel residential water heater and has been working with folks at BPA and other utilities to compare notes on the technology. We're primarily getting feedback on how utility partners are valuing the technology as we develop our understanding. I haven't had to navigate the dual fuel regulatory side directly yet.

**Becky Walker (NEEA):** Every utility is in a slightly different position on this one. We aren't really in a position to recommend how to navigate those pieces at this point, but as Mike has been highlighting, we're trying to bring forward technical opportunities that work for either gas or

electric systems, or are fuel-neutral, so that as people change out system components there's a no-regrets path for energy efficiency. It would be great to hear from all of you how your utilities are navigating that so we can share lessons learned and help replicate approaches that start to coalesce. NEEA has also been doing a policy and regulatory environmental scan focused on Northwest legislation that either enables or constrains dual fuel work. That will be published in the next month or so and will be discussed at the June Board meeting, which is a public meeting if you'd like to attend.

**Reuben Arts (Avista):** Avista can incent dual-fuel energy efficiency projects as long as they're evaluated independently on the gas side or the electric side, but once you evaluate the full project together the savings from each fuel essentially cancel each other out. What's really needed is legislation that clarifies which direction we need to go.

**Jeff Feinberg (Snohomish PUD):** BPA has been great about riding along with us from the beginning when these situations come up and helping us identify where the guardrails are. At the regional level it might be valuable to get that perspective too, so that as dual fuel becomes more normalized through electrification we can have something of a coordinated approach.

**Becky Walker (NEEA):** Agreed, it's a great topic for continued discussion at RPAC. We'll also have another piece of research out in a few weeks, a literature review of dual-fuel residential HVAC pilots happening across the country, that should be useful context.

## Program Expansions Overview and Update ([Slides 28-49](#) | [Packet 10](#))

Emily Moore ([emoore@neea.org](mailto:emoore@neea.org)) and Dave Hammond ([dhammond@neea.org](mailto:dhammond@neea.org)) provided context on how NEEA defines and approaches program expansions as part of the leveraged growth strategy. A program expansion is defined as the advancement of a technology or solution closely aligned with an existing program that can be effectively delivered by adapting the existing program's scope and intervention strategies.

Emily distinguished between two types of expansion scenarios: The first is a program change within a single portfolio, for example adding exterior lighting to the existing interior Luminaire Level Lighting Controls program, which is handled through normal portfolio update and program change documentation processes. The second is a program advancement into a new portfolio, such as when an existing electric program expands to include gas opportunities. In these cases, the expansion is treated as a full program advancement milestone requiring the same stakeholder engagement and committee vote process as any other new program entry.

NEEA identified five criteria that, when most or all are met, indicate a program expansion is preferable to starting a new program: strong alignment with an existing program; high existing market knowledge including supply chain actors, barriers, and product performance; high programmatic synergy such as overlapping delivery channels, market actors, messaging, and measurement approaches; lower incremental investment than building a new standalone program; and value in speed and agility in delivering regional benefit. For expansions that cross portfolios and funding sources, NEEA will follow an expedited but complete Initiative Lifecycle process, including cost-effectiveness review at the Cost Effectiveness and Evaluation Advisory Committee (CEAC) before the relevant committee vote, as well as development of an energy savings forecast and market baseline.

Emily noted that the program being renamed from High Performance HVAC to Advanced Performance DOAS is being used throughout this presentation to help committee members become accustomed to the new name, which was signaled in Q1 2026. The Advanced Performance DOAS gas expansion is the current working example of a cross-portfolio program advancement. Because it represents a new program investment in the gas portfolio,

it will go to the Natural Gas Advisory Committee for a program advancement vote expected in December 2026. RPAC will be kept informed in parallel and will receive confirmation of the 2027 program plan at year-end or in Q1 2027.

Dave provided a detailed walk-through of the existing Advanced Performance DOAS program and the proposed expansion to include gas High-Efficiency DOAS. The program's market transformation goal is to reach a day when advanced performance DOAS or equivalent efficiency is required by building code throughout the Northwest. The electric version requires four things: ventilation decoupled from heating and cooling; a DOAS unit achieving 82 percent or greater sensible heat effectiveness; pairing with a high-performance electric heat pump system such as variable refrigerant flow, air-to-water heat pumps, or geothermal; and right-sized heating and cooling equipment. The gas version mirrors these requirements, substituting a condensing boiler with high-efficiency pump controls and efficient terminal equipment in place of the electric heat pump. Three of the four key system components are shared between the two versions, and the overall system logic, decoupled ventilation, high-performance recovery, right-sized conditioning, is identical.

The program has achieved significant progress since entering market development. The number of manufacturers with qualified products grew from one at launch to nine manufacturers with one hundred eighty-three models meeting the 82 percent sensible effectiveness metric. Significant training investment in the engineering and architecture community has built awareness and acceptance of the DOAS system design approach. The program contributed to a partial code adoption in the Washington State Energy Code, where the required minimum sensible effectiveness was raised to the 60 to 65 percent range. Manufacturer representative partnerships have provided valuable market data and cost trend visibility. A new testing procedure was secured through the Canadian Standards Association Group and is now in the process of being adopted by the American Society of Heating, Refrigerating and Air-Conditioning Engineers.

Looking ahead, the program is increasingly focused on hydronic, specifically air-to-water heat pump systems, as a complement to the variable refrigerant flow focused early portfolio. Hydronic systems are gaining significant market momentum due to emerging refrigerant regulations that increase the flammability and replacement costs associated with variable refrigerant flow, and the fact that hydronic isolates refrigerant to a small portion of the system offers practical maintenance and longevity advantages. The hydronic trend was noted as a quiet prediction at the 2026 Industry Partners winter conference and became a dominant theme at the most recent manufacturer expo.

The rationale for the gas expansion rests on the observation that gas and electric advanced DOAS share the same market actors, manufacturer representatives, codes, and standards activities, and that the DOAS design concept is fundamentally fuel-agnostic. Framing the program as electric-only creates an artificial constraint that discourages specifiers and engineers who work across fuel types, reduces the program's appeal, and limits overall market reach. Gas systems would be better suited to medium and large buildings and cold climate locations where gas infrastructure is common, while electric remains more broadly applicable across building sizes. Expanding to gas also brings additional gas portfolio funding that reduces program costs for the electric portfolio. Pre-work already completed to support the expansion decision includes an energy modeling study for the gas side, a specifier market research study examining how a gas advanced DOAS system aligns with current specification practices, a codes impact assessment, a market potential and savings analysis, an ongoing cost-effectiveness analysis, and an active monitoring project at a commercial building already operating a gas advanced DOAS system.

## **Discussion**

**Phillip Kelsven (BPA):** I just want to make sure we're thinking about the risks of program expansion, specifically the risk that it might not result in the savings we expect.

**Emily Moore (NEEA):** Yes, that's a risk we want to identify and mitigate. It's part of the program team's thinking when considering what could go wrong from a savings perspective and a market engagement perspective. In most of these cases we see the expansion as an opportunity to broaden our market engagement and be clearer with the market, which reduces rather than increases risk. That said, there are real risks around how messaging and value propositions are framed, and we're making sure communications are clear throughout.

**Alisyn Maggiora (NEEA):** Emily, in terms of savings realization risk, one of the normal processes around program advancements is for the program to go to the Cost Effectiveness and Evaluation Advisory Committee before the committee vote. Do you envision that still being part of this process?

**Emily Moore (NEEA):** Yes, that's a great call out. Because this is treated as an advancement in the gas portfolio, it will follow the typical steps including a review at the Cost Effectiveness Advisory Committee before the NGAC vote.

**Billie McWinn (Idaho Power):** As an electric-only utility, we're only interested in electric savings. In this fully decoupled system, what portion of the efficiency gains would you say are related to the ventilation system itself? And if you were to try to quantify it, what percentage of total project savings comes from the ventilation side versus the heat pump side?

**Dave Hammond (NEEA):** The overall savings come primarily from fan energy reductions. By pulling ventilation out and handling it with an 82 percent efficient energy recovery ventilator or heat recovery ventilator, you can run the larger heating and cooling system fans for much less of the year and right-size them smaller. There are also savings tied to the efficiency of the recovery unit itself compared to a baseline unit running at around 50 to 60 percent. I'd want to give you an accurate number rather than a rough estimate because it does depend on building type, location, and ventilation load, but I can get that breakdown through our product manager and follow up with you directly.

**Reuben Arts (Avista):** Is this program going to iterate toward particular packaged system configurations or will it mostly remain flexible around how to define the benefit across variable systems?

**Dave Hammond (NEEA):** What we've learned from manufacturer representatives is that one of their key value-adds to engineers is providing ready-to-use specifications that drop directly into the basis of design. We've done some of that work and are looking to refine our specifications so that our system is well represented and plug-and-play ready for different building types. The goal is to make it so engineers don't have to maintain a separate mental model for fuel-specific versions, they can apply the spec, know the system is efficient, and move on.

## Round Robin Updates

**Billie McWinn (Idaho Power):** Idaho Power is going out to bid to explore vendors for its Home Energy Reports program and will continue with the traditional randomized controlled trial savings measurement method rather than a deemed savings approach. The online marketplace is in contract negotiations and the utility is looking forward to standing up new rebates through that channel. The Bring Your Own Thermostat program has actively launched, and engagement with original equipment manufacturers has surfaced significant learnings. Working

with Google Nest has been particularly challenging because Google exerts substantial control over customer-facing messaging and program defaults: Google's automated messaging tells customers that demand response events end at 10pm when Idaho Power's events actually run until 11pm, overriding these defaults requires documented tariff evidence, and Google references a winter program in messaging sent directly to customers even where no such program exists. The experience underscored that utilities entering the smart thermostat demand response space must be prepared to operate largely within the manufacturer's framework. Idaho Power is also exploring augmenting its existing in-home energy audit program with a virtual home assessment option after attending a well-received session on the topic at Efficiency Exchange. On the commercial and industrial side, the utility is launching its first midstream retrofit program and has recently launched a whole building approach for multifamily and commercial new construction. Idaho Power is working toward a blended baseline approach for claiming heating savings in situations where natural gas is available. Using Commercial Buildings Energy Consumption Survey data, the proposed baseline would assume approximately 80 percent gas, 17 percent electric resistance, and three percent heat pump, reflecting the actual mix of systems in the market rather than defaulting to a gas-only or electric-only comparison. Securing Energy Efficiency Advisory Group support for this approach has been about a year in progress and is nearing completion, which would be a significant development for commercial and industrial programs. Idaho Power also launched an adult learning series in partnership with two local community colleges, offering free energy efficiency education to adults of all education levels and backgrounds. Sessions average 25 to 35 participants, have received strong feedback from both participants and colleges, and both institutions have asked the utility to continue the series.

**Phillip Kelsven (BPA):** Bonneville Power Administration is actively engaged in conversations with the Northwest Power and Conservation Council as a draft Power Plan is expected in July, and the agency is focused on positioning itself well in that process. A third round of direct funding is currently open, offering utilities an opportunity to apply for funds earmarked for infrastructure investment that have not yet been fully deployed. On the agricultural side, the team recently visited dairies in Eastern Oregon and Washington to explore demonstration opportunities around heat pump water heaters with integrated heat recovery from refrigeration systems, as well as ventilation efficiency projects. On the residential side, Bonneville Power Administration is exploring bundled measure incentives that would provide stronger combined incentives when customers install a heat pump alongside insulation and window upgrades, with a release anticipated in the coming year or longer. On affordability, Bonneville Power Administration is now collecting installation cost data for every residential program measure, including actual invoices, in response to an internal audit requirement. The goal is to track incremental cost trends over time and ensure that incentive levels keep pace with the actual costs customers and contractors are experiencing.

**Lis Saunders (Tacoma Power):** Bryan Russo has left Tacoma Power for Puget Sound Energy and the utility is actively recruiting for his replacement. Tacoma Power is managing multiple open positions in Customer Energy Solutions, creating ongoing capacity challenges. On the commercial side, Tacoma Power launched an Early Design Assistance program for new construction in January 2026 with higher incentives available for projects serving affordable housing. An equity lens project led by Julie Banerjee is analyzing program participation rates among income-qualified customers to identify gaps. The utility is also seeing a significant ramp-up in commercial customers seeking help with Washington Clean Buildings Act compliance as deadlines approach, and is redeploying some staff capacity toward demand response and load flexibility projects given a lower conservation target this year. On affordability, Tacoma Power extended its loan program terms from five to seven years and increased the maximum loan amount to help customers in the 80 to 150 percent area median income range participate with lower monthly payments. The utility is developing a curated trade ally list of contractors who have agreed to work with income-qualified customers at reasonable costs. The income-qualified rental program, which offers forgivable loans to property managers who upgrade units serving low-

income renters, is experiencing a significant surge in uptake as trade allies recognize the opportunity in working with property management companies. Tacoma Power is also looking forward to participating in the NEEA online marketplace pilot.

**Reuben Arts (Avista):** Avista's work focuses primarily on custom projects. Active programs include the Home Energy Rating System program, Midstream, and a small business lighting program. The small business lighting program is performing very well, though opportunities in Washington are saturating, and a recent rate case was required due to higher-than-anticipated participation rates in Idaho. Demand response program development is a primary current focus. Avista already holds a dispatchable demand response contract for thirty megawatts and is targeting an additional twenty-five megawatts by 2030 through a new residential smart thermostat effort and a separate commercial and industrial dispatchable program. Connecting with Idaho Power at Efficiency Exchange was useful in understanding how peer utilities structure their demand response offerings. The utility is working to establish a strategic energy management program at Avista, beginning with a model of embedding energy liaison engineers at industrial facilities on a regular weekly or bi-weekly basis before transitioning to a full cohort structure.

**Bill Hibbs (Clark PUD):** All Clark Public Utility District programs are launched and the utility is in execution mode, working toward first completed Energy Design Assistance projects expected in late 2026. A recent internal cost-effectiveness analysis across all program sectors found a blended acquisition cost of approximately twenty dollars per unit, which compares favorably to other resource options and was led primarily by industrial program performance. The utility is working to manage the strategic energy management portfolio more sustainably, graduating long-term participants who have been in the program for five to six years and transitioning some to other programs. Retrocommissioning is one such pathway: a first project using a prescriptive tool-based approach vetted with Bonneville Power Administration produced approximately 70,000 kilowatt-hours in site savings at a local community center, with incentives expected to be processed prescriptively rather than waiting 9 to 12 months for full measurement and verification. Clark Public Utility District's overall affordability lens focuses on maintaining cost-effective programs that can be justified as a resource compared to supply-side alternatives, with the goal of keeping rates as low as possible for all customers.

**Whitney Jurenic (NorthWestern Energy):** NorthWestern Energy is deep in "Merger Mania" with hearings before the Montana Public Service Commission on the merger with Black Hills Corporation having begun the prior week. No confirmed close date has been announced. The process is generating useful exposure to Black Hills' program approaches and best practices in other states. NorthWestern's three-year Integrated Resource Plan is out for public comment; demand-side management is treated as a resource in Montana and the Integrated Resource Plan evaluates avoided costs, which are currently stable on the gas side and pending determination on the electric side. Two new staff members are starting soon, including one joining June second who will begin attending committee meetings. The Heat Pump Water Heater pilot is continuing with a renewed focus on the customer rather than the installer this year. Customer-side outreach has proven more challenging than expected, particularly the task of identifying homes with existing electric water heating and the eligibility requirement without crossing into fuel switching within a territory primarily served by gas. The utility is exploring a commercial energy audit program starting with a small and mid-size business offering. On demand response, 17 potential programs have been evaluated but none yet provides the capacity product needed, and the Integrated Resource Plan confirms the utility is capacity-secure through 2026. On affordability, NorthWestern Energy selected a vendor to begin a comprehensive review starting June first of both energy assistance and energy efficiency programs, examining participation rates among low-to-moderate income customers and identifying gaps. The utility also highlighted the challenge of energy assistance and energy

efficiency living in separate organizational silos at many utilities, noting that a more integrated approach that considers both levers together may ultimately be more effective at reaching customers who need help most.

**Emily Gilroy (Washington Utility and Transportation Commission):** The Washington Utility and Transportation Commission is currently working through a large volume of biennial conservation report filings, with several utility drafts already received and more expected by end of the month. Multiple general rate cases are also in process. A particular area of current focus for the Washington Utility and Transportation Commission is how savings from Home Energy Report programs are treated in conservation report filings and whether existing methodological approaches should be updated, a topic that has been surfacing from multiple directions across the region.

## Market Transformation Highlight: Heat Pump Water Heater Market Progress ([Slides 55-67](#) | [Packet 11](#))

Emily Rosenbloom ([erosenbloom@neea.org](mailto:erosenbloom@neea.org)) presented key findings from MPER 8, NEEA's most recent Market Progress Evaluation Report for heat pump water heaters, covering data from 2021 to 2024. The full report was recently posted to [neea.org](https://neea.org) and is linked in the meeting memo. A program response memo applying the findings to future program strategy will be posted within a few weeks as an addendum. Three primary surveys were conducted: 101 installers across all four Northwest states with representation from both urban and rural geographies; 451 purchasers verified to own a heat pump water heater, primarily identified through utility rebate records; and a general consumer survey of 810 respondents from the broader regional population used to measure awareness levels.

Market share continues to grow, with a 27 percent increase documented between MPER 7 in 2021 and MPER 8 in 2024. As of 2025, market share is approximately 20 percent in the Northwest. Washington state is driving significant growth particularly in new construction due to code requirements, while retrofit sales are also growing meaningfully. Distributor data not captured in the MPER itself shows a 35 percent increase in retrofit sales between 2024 and 2025, which is a particularly encouraging signal given the existing home retrofit market represents the largest long-term opportunity in the region.

Purchaser satisfaction remains high, with an overall rate of 87 percent, consistent with the 80 to 90 percent range seen across prior MPER reports. Satisfaction is high across individual product attributes including energy savings, hot water supply, noise, and ease of use. Installer awareness is near-universal: 100 of the 101 surveyed installers were aware of and had experience with heat pump water heaters. However, recommendation rates remain modest. Even among the most experienced installers, heat pump water heaters are recommended only approximately 50 percent of the time. The most commonly cited reason is concern about the high upfront cost to the customer. The Heat Pump Water Heater Work Group is actively working to understand and address this gap.

Installation challenges are being reported less frequently across all tracked categories including condensate management, space constraints, pipe configuration, makeup air, ductwork, and noise. These improvements reflect manufacturer product changes such as adding both top-connect and side-connect port options and quieter compressors/fans, as well as the NEEA's training investments that have helped installers identify appropriate installation locations and set customer expectations around operating sound and cool air exhaust. Finally, the rural and urban consumer awareness gap has closed and is no longer statistically significant. About half of Northwest consumers report knowing what a heat pump water heater is.

**Reuben Arts (Avista):** You mentioned a higher increase in retrofit sales. Is that distributed pretty evenly across all four states, or is it concentrated somewhere? We're not seeing as much of that in our midstream data.

**Emily Rosenbloom (NEEA):** I don't have that state-level breakdown in this presentation, but the data does exist in our distributor tracking. I'll follow up with you directly with the state breakdown so you can compare it to what you're seeing on your end.

**Lis Saunders (Tacoma Power):** The row on the installer chart that says “my company makes more money installing heat pump water heaters” caught my attention; it was relatively flat across all experience levels, unlike every other row which increased steadily as familiarity went up. Can you unpack that?

**Emily Rosenbloom (NEEA):** Honestly, I don't yet have a full answer. The hypothesis going in was that installers should make more money on heat pump water heaters because they're a premium product with a higher price tag and more labor involved. But for whatever reason installers are not feeling that way. Some said they actually make more money on tankless water heaters because of the labor complexity. We need to dig into this more, because if we can unlock the installer business case and help them see that recommending a heat pump water heater is actually good for their company, then that is probably one of the most important levers for increasing adoption. We are considering dedicated research focused specifically on installer economics.

**Jeff Feinberg (Snohomish PUD):** John Petosa on our team has been sharing our learnings through the work group. One thing we saw very clearly when we did our 600 installs last year was significant variability in contractor quotes for additional electrical and plumbing work. Even among the four contractors who agreed to work together on the same team there was variation. I wonder if some of the installer economics challenges are tied to that additional work being unpredictable and harder to price confidently, rather than just the primary installation cost.

**Emily Rosenbloom (NEEA):** Yes, that's exactly the kind of insight the Work Group is gathering. The full installed cost, not just the product but all the associated work, is one of the main things we're trying to understand and address regionally.

## RPAC+ Proposed 2026 Heat Pump Water Heater (HPWH) Marketing Campaign ([Slides 68-78](#) | [Packet 12](#))

Britt Cutsforth Dawkins ([bdawkins@neea.org](mailto:bdawkins@neea.org)) provided a reminder of the proposed 2026 Heat Pump Water Heater consumer marketing campaign before the committee conducted its formal elections. The campaign strategies remain consistent with prior years, pursuing two goals: continuing to increase Northwest consumer awareness given that approximately half of regional consumers currently know what a heat pump water heater is, and advancing already-aware consumers toward active consideration at the time of their next electric water heater purchase.

Regional alignment activities completed in advance included distributing campaign materials to funders two months prior, holding one-on-one funder meetings as requested, briefing major manufacturers at Efficiency Exchange, mentions in the Program team's regular meetings with distributors in late Q2, and maintaining ongoing communications with installers through field representatives and Hot Water Solutions emails.

The campaign will run under the Hot Water Solutions brand, the NEEA's market-facing brand for the program, during June only, a shorter, higher-impact window sized to the available \$80,000 media spend. All funding utilities that opt in will have their full regions targeted. The campaign's retro 8-bit gaming creative, in use since 2024, will remain unchanged and run in both English and Spanish. Two messaging updates have been made: do-it-yourself installation messaging was dropped as it was effective with a subset of the larger audience, and new messaging on high customer satisfaction is being introduced, leveraging the 87 percent satisfaction rate from MPER 8 to reassure consumers unfamiliar with the product. The media channels are Facebook, Instagram, display advertising, and digital audio. The campaign landing page is hosted at [HotWaterSolutionsNW.org](http://HotWaterSolutionsNW.org), from which visitors can visit utility websites, local installers, retailers, manufacturers, or DIY resources.

Alisyn reviewed the elections process, under which each funding utility can elect to participate with full regional targeting, self-deliver an equivalent campaign, or take an exemption from participation. Most funders had provided their elections by email in advance, and a roll call was conducted to formally confirm all elections on the record. All funding utilities elected to participate in the campaign.

## Efficient Fans Program: Refresher & Q3 Vote Preparation ([Slides 81-99](#) | [Packet 13](#))

Nick Michel ([nmichel@neea.org](mailto:nmichel@neea.org)) and Alexis Muench ([amuench@neea.org](mailto:amuench@neea.org)) provided context on the Motor-Driven Systems product group and a detailed preview of the Efficient Fans program in advance of a Program Advancement vote planned for Q3 2026. Nick explained that the Motor-Driven Systems product group encompasses any electric motor-driven system that converts electrical energy into mechanical power at the active end, including fans, pumps, compressors, variable speed drives, and motors. These technologies represent a large share of energy use across commercial and industrial sectors. The product group's long-term vision is for the market to consistently adopt motor-driven products designed to optimize overall system efficiency, not just the performance of individual components. NEEA pursues this through three market channels: manufacturers and their representatives, who shape product design and what gets promoted and sold; trade associations, particularly the Air Movement and Controls Association, which scale awareness and alignment across the industry and support codes and standards development; and voluntary specifications such as Energy Star, which signal performance expectations to the marketplace and influence broader adoption. The product group currently includes the Efficient Fans program and the Extended Motor Products Pumps program as active investments, with variable speed drives still in early development. The Efficient Fans program uses the Fan Energy Index as its primary efficiency metric. Fan Energy Index evaluates the fan, motor, and controls together at the actual operating duty point, in contrast to the older Fan Energy Grade metric, which measured only peak fan performance in isolation. Fan Energy Index is increasingly appearing in state energy codes and is widely supported by the Air Movement and Controls Association.

Alexis presented the program in depth. She noted that program development is analogous to the first season of a television show, the cast is in place and the pieces are there, but the writers are learning the chemistry. The program has now taken those learnings back into the writers' room and is ready to move into the bread-and-butter seasons of market development.

The program focuses on stand-alone commercial and industrial fan systems, fan, motor, and controller, that are Fan Energy Index-rated and selected independently, excluding fans already captured within packaged HVAC programs. The market transformation opportunity is estimated at seventy-eight average megawatts on the commercial side and eighty-three average megawatts on the industrial side. During program development the team completed a market research and assessment study and market characterization, expanded engagement

with manufacturers and manufacturer representatives, and advanced activities related to Fan Energy Index visibility in selection software, messaging, education, and codes and standards coordination with the Air Movement and Controls Association.

These activities generated three key learnings. The first is that awareness of Fan Energy Index is high and increasing and it is the primary efficiency metric referenced in fan selection conversations, but awareness alone does not translate into action. Final decisions are dominated by first cost, performance requirements, and project constraints. Fan Energy Index gets overlooked when it is not actively surfaced in selection tools, specifications, or schedules, and the program must integrate Fan Energy Index more deeply into the selection workflow itself. The second learning is that successful market transformation will require coordinated action across a broader ecosystem than manufacturers alone. The market is diffuse and working through multiple intervention points is necessary. The Air Movement and Controls Association has been a highly collaborative partner in aligning messaging, supporting codes and standards, and reinforcing market signals. Manufacturer representatives emerged as a critically important group because they are embedded in specifier conversations and play a significant role in shaping which products and criteria are taken seriously on a given project. The third learning is that specifiers, the engineers and designers who determine what goes into equipment specifications, are the single most important leverage point for influencing efficient fan outcomes. Making Fan Energy Index more visible, usable, and consistently present in the specification workflow is central to the program's market development strategy.

The program's market development strategy addresses these learnings by increasing Fan Energy Index visibility and usability in purchasing and selection processes, supporting manufacturer representatives in reinforcing Fan Energy Index's value proposition during real-time decision-making, educating specifiers on Fan Energy Index and its practical value, and collaborating with the Air Movement and Controls Association to advance increasingly stringent codes and standards. The ultimate desired outcome is for Fan Energy Index to be consistently incorporated into fan selection decisions across the region, leading to higher-efficiency fans being specified and installed and a long-term shift toward higher average Fan Energy Index in the market.

On timeline, program advancement documentation materials will be distributed to committee members approximately mid-July, followed by a review period through approximately August 18. The Program Advancement Milestone vote is scheduled for the Q3 2026 RPAC meeting on September first. Alexis offered one-on-one review meetings with any committee member teams wishing to dig into the materials in advance of the vote.

**Jeff Feinberg (Snohomish PUD):** I think there could be real benefit in having our team review the materials because we'd likely be able to support this effort given our customer base. Whether that's before the vote or after, we're interested.

**Alexis Muench (NEEA):** We will absolutely set up that meeting.

## Meeting Wrap Up

- Public comment - None
- Meeting feedback – None
- Action Items
  - **ACTION:** NEEA staff will revisit the dual-fuel technology topic with RPAC at a future meeting, with timing to be determined internally, potentially following the June Board meeting where dual-fuel strategy is also on the agenda

- **ACTION:** Dave Hammond will follow up with Billie McWinn of Idaho Power with a breakdown of the difference in savings potential between gas and electric in the Gas High-Efficiency Dedicated Outdoor Air Systems opportunity.
  - **ACTION:** Emily Rosenbloom will provide Reuben Arts of Avista with a breakdown by state of midstream retrofit sales drawn from distributor data.
  - **ACTION:** NEEA will schedule Efficient Fans milestone review meetings with Chelan Public Utility District and Snohomish Public Utility District
- Next meeting
- September 1, 2026 - virtual