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## Northwest **Power** and **Conservation** Council

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July 5, 2023

### **MEMORANDUM**

**TO: Council Members**

**FROM: Tina Jayaweera**

**SUBJECT: Northwest Energy Efficiency Alliance Cycle 7 Business Planning**

### **BACKGROUND:**

**Presenter:** Becca Yates, Executive Director NEEA

**Summary:** The Northwest Energy Efficiency Alliance (NEEA) is currently developing its business plan for its next business cycle (Cycle 7, covering 2025-2029) and is gathering public feedback before finalizing. Becca will provide an overview of NEEA's work and the business planning process and present highlights from their draft plan.

**Relevance:** The 2021 Power Plan calls on the region to continue to fund NEEA at 2020 levels or greater and identified several areas where NEEA's work is critical for successful implementation of the conservation program. This upcoming Business Plan provides an opportunity to ensure that these and other regional priorities are fully funded.

Since its creation in 1996, NEEA has delivered over 900 aMW of co-created, cost-effective energy efficiency through market transformation and the cost of savings from NEEA programs has been very low – about 2.7 cents per kWh. In addition, NEEA's work in emerging technologies has been instrumental in providing data for many of the conservation measures new to the 2021 Power Plan.

Background: The creation of the NEEA was an outcome of the 1996 Comprehensive Review of the Power system facilitated by the Council. The region's utilities, Bonneville, and stakeholders decided to band together collectively to drive market adoption of energy efficiency products, services, and practices for the benefit of utilities and consumers and the region.

In the 2021 Power Plan, the Council envisions NEEA's role in several areas, such as: continuing market transformation activities, including market research and working on initiatives that support new codes and standards; researching and developing emerging technologies; supporting rural utilities in achieving efficiency; performing regional stock assessments; developing end use load profiles; developing a commercial building end-use intensity database; updating data related to efficacy of voltage regulation. Many of these activities are already within NEEA's portfolio, and all will require coordination and support from other regional entities.

More Info: <https://neea.org/plans>



# 2025-2029 Draft Strategic & Business Plans

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*Becca Yates, NEEA Executive Director*  
*Northwest Power and Conservation Council Meeting*  
*July 12, 2023*





## ➤ *Today's Presentations*

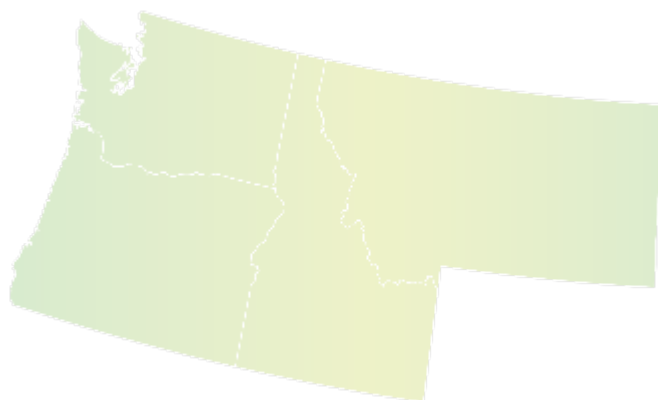
- **Introduction**
- **About NEEA**
- **Cycle 7 Strategic +  
Business Plan Overview**
- **Q + A**



**Becca Yates**  
NEEA Executive Director



# The Alliance



# ➤ **Market Transformation**

*The strategic process of intervening in a market to create lasting change.*





# ***Value of a Regional Alliance***



***EMERGING  
TECHNOLOGIES***



***MARKET  
STRATEGY +  
EXECUTION***



***CODES +  
STANDARDS***



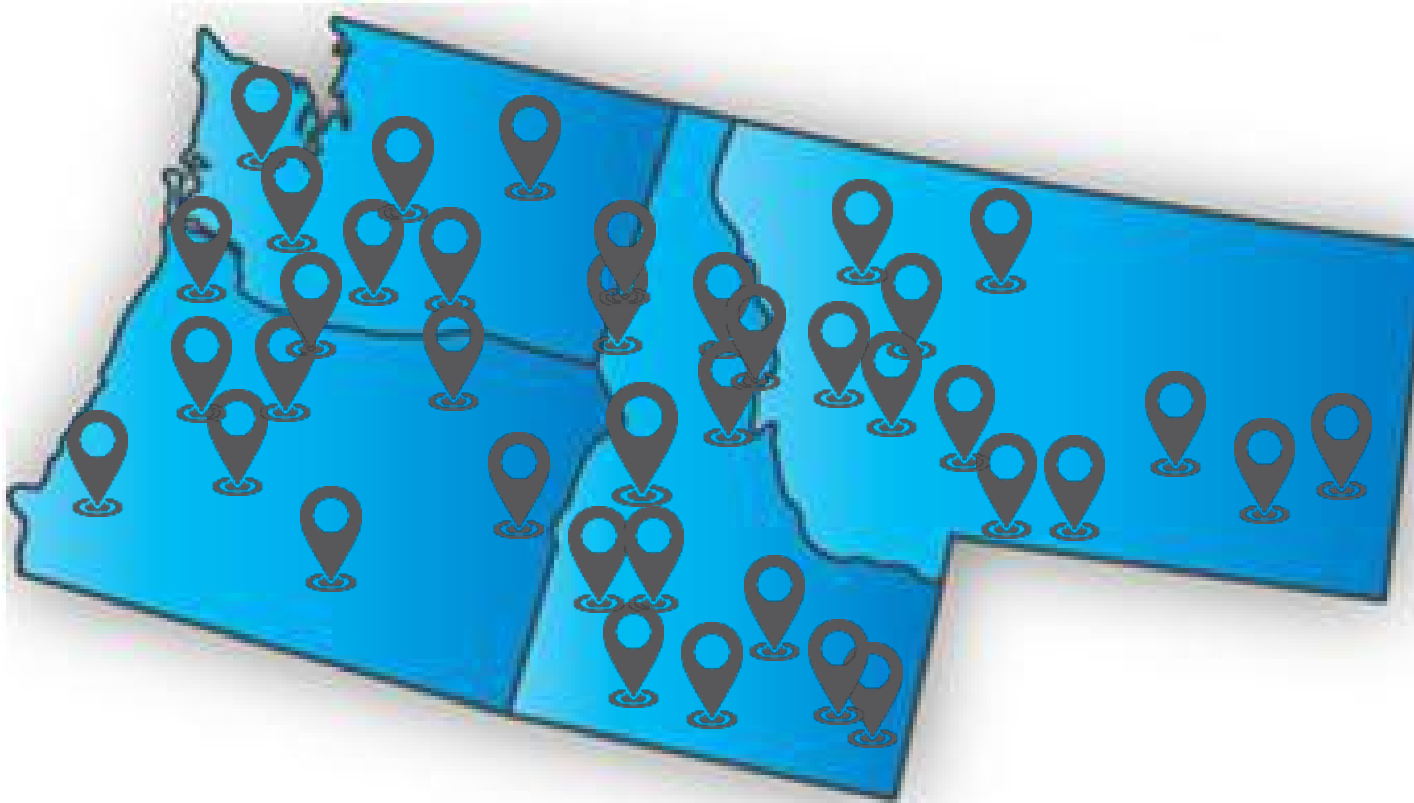
***CONVENE +  
COLLABORATE***



***ANALYTICS,  
RESEARCH +  
EVALUATION***



# Creating access to efficiency for consumers across the Northwest



*Products that are both more efficient and more affordable:*

- **500+ incentivized products** on shelves in **270+ store locations** across the Northwest
- Saving consumers energy + money in **cold climates**
- **Raising awareness and training installers** in rural areas of the region





## *Creating Northwest Solutions for Northwest Customers*

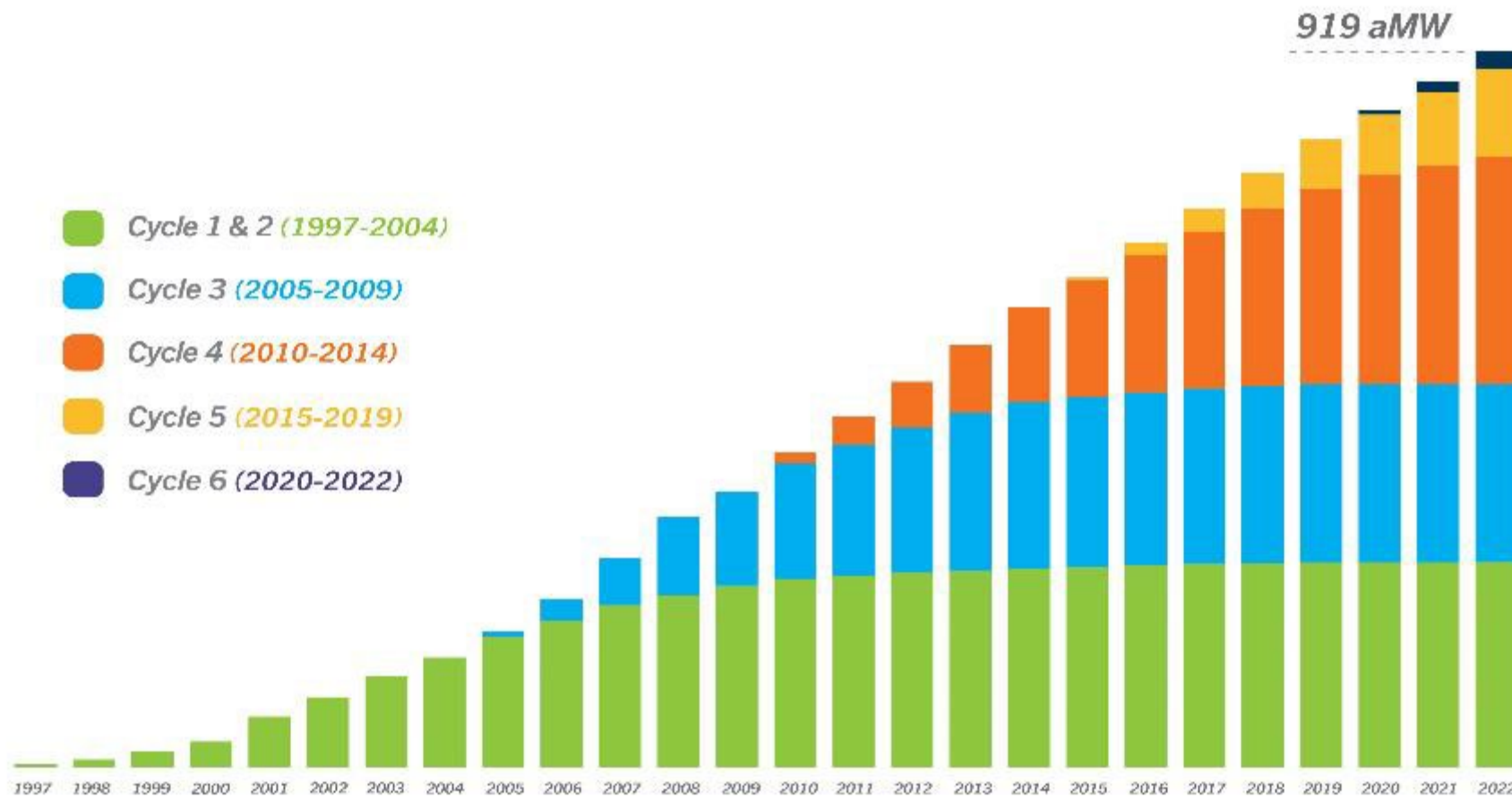
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*Heat pumps for  
all climate zones +  
fuel choices*





# Market Transformation Delivers Permanent Change





# *NEEA's Mission and Purpose for Cycle 7*

## *DRAFT*

- **Mission:** NEEA catalyzes 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.



## ***Five-year Business Plans***

- **Strategic Plan** affirms NEEA's mission and identifies the highest value strategic opportunities for the alliance
- **Business Plan** sets the roadmap of metrics, activities and budget to pursue those opportunities on behalf of the region





# Cycle 7 Planning Timeline





# » Strategic Planning

We're all  
in this  
together



## *Key Themes from Strategic Plan*

- Identified continuing/growing need for energy efficiency
- Affirmed energy efficiency Market Transformation as NEEA's primary focus
- Recognized that dynamic environment points to evolutionary opportunities for NEEA
- Found much common ground, even as utility needs and policy drivers shift



# ***DRAFT Strategic Goals for 2025-2029***

**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

A faint, light green geometric logo is centered in the background. It consists of several overlapping diamond shapes that form a larger, complex pattern.

# Business Planning



## ***Big Picture: 2025- 2029***

- Maintain **core focus on providing affordable energy efficiency solutions**
- Create market change resulting in **cost-effective energy savings of 195-225 aMW** (electricity) and **6-17 MM Therms** (natural gas)
- Adaptively manage **\$210M electric budget/\$35M gas budget** in unprecedented times to deliver more value while finding efficiencies
- Leverage **economies of scale**, support from partners outside the region doing complementary work





# Current Market Transformation Portfolio

## PRODUCTS

### Consumer Products

Retail Product Portfolio


### Motor-Driven Products

Extended Motors Products - Pumps

Efficient Fans

### Water Heating

Heat Pump Water Heaters

Efficient Gas Water Heating (natural gas) 

## INFRASTRUCTURE

Integrated Design Labs

BetterBricks

## INTEGRATED SYSTEMS

### HVAC

High-Performance HVAC



Variable Speed Heat Pumps

Efficient Rooftop Units (natural gas) 

### Lighting

Luminaire Level Lighting Controls

### Building Envelope

High-Performance Windows (dual-fuel)  

## EMERGING OPPORTUNITIES FOR 2025 - 2029

Efficient Commercial Gas Dryers

Residential Gas Heat Pumps

Residential Gas Heat Pump Water Heaters

Commercial Gas Heat Pumps 

Dual Fuel HVAC  

Advanced Efficient Res Heat Pumps

RTUs with Heat Pumps

Efficient Fans

Efficient Motor Drives

Commercial/Multi-Family HPWHs

Residential HPWHs for all Applications



## *Measuring Market Transformation: Business Plan Metrics*

**195-225** aMW  
(electricity savings)

**6-17** MM Therms  
(natural gas savings)

**800-900** MM Tons  
(carbon reduction)

**410-475** MW  
(winter peak load reduction)

**350-400** MW  
(summer peak load reduction)

**\$211.8** million  
(electric budget)

**\$35.3** million  
(natural gas budget)



## ***Cycle 7 (2025-2029)***



**\$211.8M**



**\$35.3M**



**OPTIONAL SPECIAL  
PROJECTS**

**FIVE-YEAR BUDGET**

**Optionally-  
funded special  
projects:**

- **End-use Load Flexibility**
- **Whole Building Efficiency**
- **Hydrogen-ready Appliances**
- **End Use Load Research (in-process)**



## ***Regional Value: Codes + Standards***

***NEEA brings Northwest data and needs into state and federal codes and standards processes and provides the market with resources to prepare for code changes.***

- Locks in energy savings and raises the bar for energy efficiency for all Northwest consumers
- Provides real-world product and performance data that represent Northwest needs



- **New construction codes**
- **Appliance standards**
- **Builder and installer trainings**



## ***Regional Value: Data + Research***

***NEEA collects data that would be very difficult and expensive for individual utilities to collect on their own.***

- New Residential Building/ Multi-Family Stock Assessment beginning in 2026
- Completion of the Commercial Building Stock Assessment (CBSA) scheduled to begin in 2023 and wrap-up in 2026
- Launch of second CBSA in 2028 to wrap-up in Cycle 8
- NEW: A Motor-driven Products Stock Assessment to characterize energy consumptions of pumps, fans and motors (primarily in industrial) beginning in 2028



- **Stock assessments**
- **Full category data analysis**
- **Market characterization**





Q + A





# Thank you!

Becca Yates

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[neea.org/plans](https://neea.org/plans)

**Public Comment period runs  
through August 4**

