

Memorandum

March 25, 2026



TO: Kary Burin, Cascade Natural Gas, Supervisor, Energy Efficiency; Kathy Wold, Cascade Natural Gas, Manager, Energy Efficiency; Caleb Reimer, Cascade Natural Gas, Manager of Energy Efficiency Programs;

CC: Becky Walker, Chief Program Officer; Stephanie Rider, Director, Portfolio Management, Reporting & Data Analytics; Nathan Martinez, Director, Market Analytics, Research and Evaluation; Virginia Mersereau, Vice President of Corporate Strategy and Communications

FROM: Christina Steinhoff, Principal Analysis Manager

SUBJECT: 2025 Annual Natural Gas Savings Report

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NEEA is an alliance of utilities and energy efficiency organizations with a purpose to pool resources and share risks to transform markets 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 market transformation efforts, 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 a case for efficiency.
- Improving how products are tested and perform in real life applications.

Utilities, energy efficiency administrators, and the Regional Technical Forum (RTF) all benefit from NEEA's work through knowledge sharing, the development of new energy conservation measures, and the resulting market changes leading to energy savings.

These long-term efforts transform markets by making more efficient products and options available to consumers and businesses across the Northwest. NEEA's end goal is to make energy efficiency a self-sustaining standard of practice in markets.

As such, Cascade Natural Gas has requested an annual savings report. This memo provides:

- Natural gas energy savings for 2025
- An update to the 2024 savings estimates based on new data.
- Highlights of work in 2025 to help support the region meet its energy conservation goals.

Details about the allocation, baseline, and technical assumptions are in the attached Excel spreadsheet.

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2025 Savings Estimate

NEEA estimates Cascade Natural Gas's 2025 annual natural gas energy savings associated with its initiatives is 23,164 Annual Therms¹ (Table 1). These savings are above the NEEA baseline² and exclude an estimate of savings that Cascade Natural Gas and other regional utilities claim through locally run programs. NEEA allocates energy savings based on an estimate of service territory shares ([Appendix](#)). Many gas-funded programs are still in early development. NEEA expects the savings from these programs to increase over the next few years.

The programs in the gas portfolio are very early in the market and still developing out as opportunities within each funder's territory. NEEA reports energy savings at the service territory level, and there may be years when a program in early development will not have any trackable adoption to report. NEEA sees market progress occurring across the region and forecasts benefits for each funder over the business cycle. NEEA is currently seeking local demonstration projects to develop local level learnings and relationships to support early adoption in Cascade Natural Gas' territory. Contact Alisyn Maggiora, Sr. Stakeholder Relations Manager, at amaggiora@neea.org for more information.

Table 1: 2025 Annual Report Net Market Effects Savings* Estimates (Annual Therms)

Total	23,164
Gas-funded Programs	8,044
Efficient Rooftop Units (ERTU)	0
Product Standards (Commercial)	3,209
Product Standards (Residential)	Expected in 2029
New Construction (Commercial Codes)	4,835
New Construction (Residential Codes)	0
Gas-funded Programs in Development	NA
Advance Commercial Water Heating	Expected in 2026
High Efficiency Dedicated Outdoor Air System (HE DOAS)	Expected in 2027/2028
Indirect Gas Savings	15,120
Manufactured Homes (Envelope Measures)	919
Extended Motor Products-Pumps (Commercial, Water Heating)	354
Extended Motor Products-Pumps (Residential, Water Heating)	13,847

*Net Market Effects = Total Regional Savings - Local Program Savings - Baseline Savings

¹ The term Annual Therms refers to the fact that NEEA reports first-year savings only in order to represent a sustained reduction in load.

² NEEA estimates Baseline as the savings that would have occurred without NEEA, utility, and the Cascade Natural Gas's market intervention.

New to this Report

This report now includes an Indirect Gas Savings section for savings achieved from alliance investments outside of the gas portfolio. NEEA's relationships with market actors, influence in national collaboratives and voluntary standards, and market-facing materials can benefit energy use across all fuel sources. As NEEA expands its understanding of overlap between its electric and gas portfolios, staff have identified situations where market transformation efforts funded through the electric portfolio have produced measurable gas savings. NEEA categorizes these savings as indirect, reportable savings because these gas benefits are not the primary goal of the program strategy. The areas where NEEA has currently identified measurable indirect gas savings include:

- Manufactured Homes: NEEA developed enhanced, above-code specifications that improve building envelopes and deliver both electric and gas savings. NEEA tracks these savings and continues to support federal efforts to incorporate the specifications into U.S. Department of Energy standards.
- Extended Motor Products (XMP)-Pumps: NEEA influenced the development of an energy rating label to increase awareness and understanding of smart pump technology. High-efficiency pumps can reduce both gas and electric water heating energy use. NEEA tracks these savings through its XMP-Pumps program.

More information about these programs is available upon request.

2024 Annual Report Update

The 2024 savings decreased by less than 2 percent to 65,535 MM Therms. NEEA updated the new construction estimates for both residential and commercial new construction based on revisions from Dodge Analytics and the Department of Housing and Urban Development. Table 2 shows the changes.

Table 2: Update to the 2024 Annual Savings Estimates (Annual Therms)

Sector	2024 Annual Report	Update
Total	66,834	65,535
Residential	56,672	56,517
Commercial	10,162	9,017

2025 Highlights

NEEA collaborates with stakeholders across the Northwest and nationally to advance the adoption of energy efficient technologies. Work includes:

- Data collection, research, and analysis
- Product development and testing
- Market implementation

These efforts help bring higher efficiency products and services to market, ultimately benefiting consumers and businesses, and generating energy efficiency savings. Below are key highlights for 2025.

Data Collection, Research, and Analysis

Building Stock Assessments

NEEA has five regional studies that hit milestones in 2025. The data collection phase of the 2025 Commercial Building Stock Assessment finished, and the study began developing data and reporting deliverables that will be posted on neea.org in the first half of 2026. The Home Energy Metering Study and Commercial Energy Metering Study both finished metering and deinstalled most meters. The study will now focus on analyzing the data and sharing key insights. The Motor-System Stock Assessment selected and onboarded two firms and began study-design and planning work. Lastly, NEEA formed the 2027 Residential Building Stock Assessment working group and with their input developed a request for proposals document that will be released at the beginning of 2026.

Market Data and Research

NEEA's Market Research and Evaluation team managed nearly 40 third-party research and evaluation studies to support alliance Market Transformation programs, building codes, and new product standards work, as well as NEEA's special project work in end use load flexibility and whole building/building performance standards. Some gas-related research included:

- Identifying purchase motivators for people with high-efficiency gas equipment to see if and where there is a market for a commercialized gas heat pump water heater.³
- Exploring the opportunities and barriers for adding gas to NEEA's High-Performance HVAC program, characterizing the market landscape, and assessing specifiers' perceptions of system configurations in hypothetical scenarios aligned with the program's targeted approach.⁴
- Increasing the region's understanding of gas and electric water heating systems across a selection of commercial buildings in the Northwest.⁵
- Completing the first Market Progress Evaluation Report for the Efficient Rooftop Units (ERTU) program.⁶ The study found that six manufacturers currently offer ERTU products, including two of the five leading ERTU manufacturers. While adoption is still emerging, integrated energy recovery ventilator models appear to be gaining more traction than bolt-on options.

In addition, the team managed work on projects that measured compliance with updated building energy codes in Idaho, and Oregon. These projects, along with the codes' market progress evaluation and a review of NEEA's approach for developing counterfactual baselines for state energy codes, provide the market with valuable information on the market's response to code changes, informs strategy, and supports evaluation of NEEA and its partners' influence on building energy codes.

³ [High Efficiency Gas Water Heater Research - Northwest Energy Efficiency Alliance \(NEEA\)](#)

⁴ [Commercial HVAC Specifier Market Research: Gas High Efficiency DOAS - Northwest Energy Efficiency Alliance \(NEEA\)](#)

⁵ [Market Research on Existing Water Heaters in Select Commercial Buildings, Final Report - Northwest Energy Efficiency Alliance \(NEEA\)](#)

⁶ [Efficient Rooftop Units Market Progress Evaluation Report #1 - Northwest Energy Efficiency Alliance \(NEEA\)](#)

Data Processing

NEEA continued to refine its commercial HVAC installation tracking process as well as expand market coverage. NEEA collects sales data, relying on trusted relationships with regional HVAC suppliers. NEEA augments the data by matching equipment model numbers to equipment efficiency attributes from the Air-Conditioning, Heating, and Refrigeration Institute certification database. NEEA's goal is to continue minimizing manual data cleaning and to expand its coverage with distributors as well as add sales through manufacturer representatives.

Product Development and Testing

Emerging Technology

NEEA's emerging technology team routinely scans for, assesses, and reports on the potential for newly identified efficient products, services, and practices. Once opportunities are identified, NEEA works with manufacturers to encourage creating products that meet regional needs and are confirmed to save energy. 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. By working together and aggregating investment, NEEA's funders and stakeholders share both the costs and the risks associated with bringing new energy efficient technology to markets.

In 2025, the emerging technology program conducted research to scan new products for NEEA's gas energy efficiency portfolio. The work included:

- A field study of 13 homes to investigate the flexibility and affordability benefits of dual-fuel residential HVAC systems in various climate and energy market conditions.
- A field and energy modeling study to test the benefits of integrating lighting and HVAC controls to expand the product and benefits of NEEA's current Luminaire Level Lighting Controls program. The crosscutting control system technology could provide a new avenue for energy savings in small-to-medium commercial buildings where control systems are not typical.
- A test of residential-sized gas fired absorption heat pump design for broad residential and commercial applications. Field data showed the hybrid system could achieve net efficiencies of up to 136%, with gas savings of 54% in hot water-only mode and up to 55% in combined heating modes at the multifamily site. At the residential sites, the system achieved net efficiencies between 110% and 130% in combined heating modes.⁷

Test Procedures and Energy Efficiency Standards

In 2025, NEEA staff served as an important voice in representing utility, industry, and market-wide impacts from Department of Energy (DOE) proposed rollbacks to certain Federal efficiency standards. The DOE has not yet issued final rules on these proposed rollbacks, which may be due, in part, to the breadth and depth of comments submitted by NEEA and other stakeholders representing a diverse group of manufacturers,

⁷ [Gas-Fired Absorption Heat Pump: Hybrid System Approach Field Study - Northwest Energy Efficiency Alliance \(NEEA\)](#)

industry trade associations, energy-efficiency advocacy groups, consumer advocates, and state and local government representatives. Because the DOE's standards program is not as active at the Federal level, NEEA has also been active in supporting state agencies in the Pacific Northwest to ensure that effective and efficient products continue to be available for consumers, as well as focusing on the development and improvement of test procedures for several products. These new test procedures will ensure that the latest technology is adequately represented and yield metrics that can effectively differentiate better-performing equipment in the market.

Market Implementation

Efficient Rooftop Units

In 2025, the program developed four new marketing resources:

- A case study for the KBOO Community Radio field demonstration,
- A re-design of the BetterBricks Efficient Rooftop Units page,
- A brochure for distributors that explains the benefits of the ERTU specification elements,
- A one-page flyer on ERTU program details.

The team also started development on a website campaign for 2026 that will help building owners or facility managers identify how ERTUs would be a good option for HVAC equipment replacement projects.

The program has made progress with manufacturer representatives identifying projects and applications suited for qualified efficient RTUs (e.g. schools, sports facilities, and other building types with high-ventilation needs). The program is looking to incentivize case study development and support for manufacturer representatives promoting qualified products.

The program also kicked off the Energy Recovery Ventilators /Heat Recovery Ventilators cleaning market study with MarketWise. Objectives are to gather perspectives on operational considerations for installing, commissioning, cleaning, and maintaining ERVs/HRVs, and investigate what ERV/HRV cleaning and maintenance looks like in real-world applications. A final report will be available in 2026.

Finally, NEEA completed a modeling study on commercial HVAC efficiency measures for various types of commercial rooftop units. The goal of broadening the modeling efforts to cover a greater portion of the United States is to enhance the region's understanding of how measure and tier impacts vary by climate region, which could eventually inform the development of a national program applicable to the RTU market and representative federal efficiency metrics for this product.⁸

High Efficiency Dedicated Outside Air Systems

NEEA is exploring opportunities to expand its Commercial High-Performance HVAC electric program to include gas products. The team is assessing the projected market potential, savings estimates, cost effectiveness, and barriers/opportunities to present to NEEA's gas-funding stakeholders in 2026.

⁸ [National Efficient Rooftop Unit Energy Modeling - Northwest Energy Efficiency Alliance \(NEEA\)](#)

Water Heating

The Advanced Commercial Water Heating program finished a market characterization report that should be published later this year. NEEA also continued engagement with manufacturers and tested the products through field demonstrations including a commercial gas heat pump system. NEEA is working with the North American Gas Heat Pump Collaborative on a new feasibility study to identify potential savings and market opportunities for a gas system for use in the commercial multifamily market. NEEA is also co-funding a Gas Technology Institute project to develop a new tool for designing and optimizing commercial water heating gas heat pump systems.

The research and analysis will help the program move into market development in 2026/2027.

New Construction

Gas savings from Washington codes phase out as the 2021 Washington State Energy Code moves builders to choose electric options. NEEA is monitoring the effects of codes as well as building performance standards. NEEA is researching future code options for high performance gas technology such as gas water heaters and gas/electric combo heat pumps.

Appendix: Methodology

Allocation

NEEA allocates code savings for gas measures using a state/service territory approach (Table 3). The approach uses EIA residential consumer sales for Residential Codes and nonresidential volume for Commercial Codes.

Table 3: State Code Savings Allocation Share

Sector	WA	OR	ID
Residential	15.84%	0.00%	0.00%
Commercial	17.02%	0.00%	0.00%

NEEA used service territory allocations for the Efficient Rooftop Units savings because the program is new to the market and is tracking installations by service territory. NEEA also used service territory allocations for XMP Pumps and Manufactured Homes because these programs are not directly supported through gas funding.

Baseline, Local Programs and Technical Assumptions

This report follows NEEA's method of measuring gas energy savings from market transformation efforts. The baseline is an estimate of market adoption without intervention by NEEA, Cascade Natural Gas and utilities. Prior to reporting the savings above the baseline, NEEA removes the savings counted through the local programs. This effort helps funders avoid double counting energy savings.

The technical assumptions come from third-party research including NEEA contracted research and the RTF.

Additional information about savings assumptions, methodologies, and data sources will be available with the [savings reports](#) on our new online funder portal. The new system provides a secure platform to share information as well as creates an archive of prior shared documents.

Individuals who already have an account should have received an email containing the link to the portal. Upon accessing the portal, users should sign in using their credentials (email address and password). Those who do not have an account or who have any other questions should contact Chris Clark, NEEA Analyst, External Reporting and Special Projects, at CClark@neea.org.