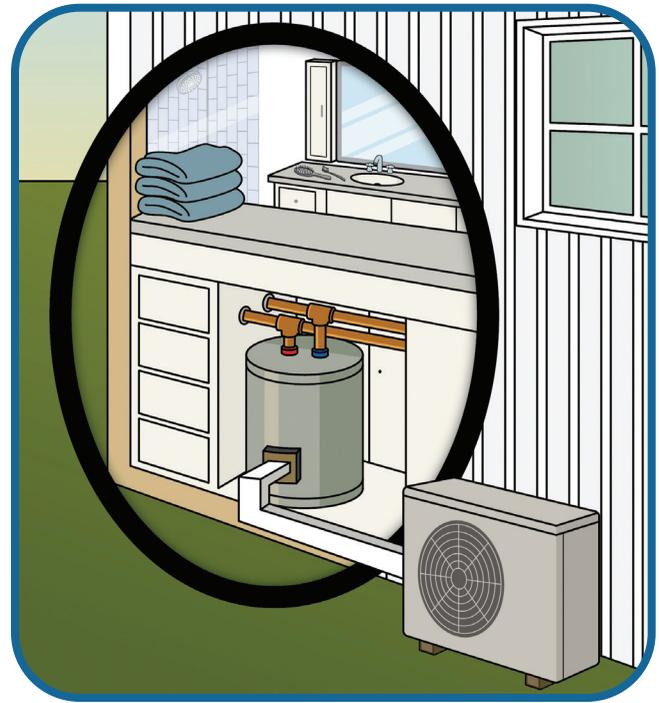


# Accelerating the Future of Water Heating

The Hot Water Innovation Prize is a national competition designed to speed the development of affordable and easy-to-install **split system heat pump water heaters for space-constrained installations**. The Prize is led by the Northwest Energy Efficiency Alliance (NEEA) with support from a national coalition of energy efficiency organizations.

The Prize focuses on real-world feasibility and market readiness, rewarding manufacturers for the development of turnkey systems with an indoor tank and an outdoor compressor. This makes high-efficiency water heating possible where today's heat pump water heaters don't fit.



## Why It Matters

Water heating is one of the largest energy uses in U.S. homes, but affordable and energy-efficient options are not yet available for compact spaces today. Small-capacity split system heat pump water heaters would solve this problem and extend efficiency benefits to people living in homes and apartments where more modest, small electric resistance water heaters are commonly found.

NEEA estimates these systems can reduce water-heating electricity use by up to 60%, saving individual households hundreds of dollars annually while significantly lowering emissions. Split system heat pump water heaters represent a major market opportunity, with 1 to 2.4 million units in potential annual sales.

### Co-Sponsors:



## How the Contest Works

The Hot Water Innovation Prize follows a three-phase pathway from concept to market:

- 1. Qualification (2024):** Manufacturers demonstrated technical and market readiness
- 2. Project Plans (2025):** Up to five teams received \$30,000 to advance designs
- 3. Prototypes (2026):** Up to two winner(s) will receive \$175,000 plus media promotion and demonstration opportunities

Winner(s) will be announced in late 2026 or early 2027, followed by demonstration projects and early utility pilot programs.

## Join the Coalition Supporting the Hot Water Innovation Prize

As the Prize moves from design and prototyping into demonstration and deployment, we invite utilities, energy-efficiency organizations, nonprofits, and industry partners to join this coalition and help bring Prize-winning innovations to market. Participation does not require funding.

### Why Join?

Your organization can:

- Support market-transforming innovation aligned with efficiency and affordability goals
- Shape the pathway to long-term utility programs and market adoption
- Become aligned with an innovative and nationally recognized energy efficiency initiative

### Ways to Participate

Your organization may contribute by:

- Launching or participating in demonstration projects
- Amplifying Prize updates and results on social channels as a Media Co-sponsor
- Incorporating winning split systems into new or existing utility water heating programs

Ready to help us accelerate efficient electric water heating, expand consumer access, and prepare the market for the next generation of products? Get in touch about becoming a Co-sponsor: [innovationprize@hotwatersolutionsnw.org](mailto:innovationprize@hotwatersolutionsnw.org).



To learn more, visit [HotWaterInnovationPrize.com](https://HotWaterInnovationPrize.com)

© 2026 Northwest Energy Efficiency Alliance