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CPUC Approves First-Ever Statewide Market Transformation Initiatives to Advance Energy Efficiency and Decarbonization

The [California Public Utilities Commission](#) (CPUC) unanimously approved the first-ever statewide energy efficiency Market Transformation Initiatives (MTIs) for California. The MTIs, proposed by [CalMTA](#) (the California Market Transformation Administrator), are designed to work with manufacturers and market supply chains to accelerate market adoption of energy-efficient products that will help realize the state's goals on efficiency and decarbonization. CalMTA is a program of the CPUC and is administered by [Resource Innovations](#), Inc.

The [Decision](#) authorizes CalMTA to immediately implement the [Room Heat Pumps MTI](#), which is projected to deliver \$480 million in benefits to California ratepayers over the initiative's lifetime. Those benefits represent the value of energy savings, greenhouse gas reductions, and increased demand flexibility to help keep the electric grid healthy. The Room Heat Pumps MTI will accelerate market adoption of a 120-Volt (V) plug-in room heat pump air conditioner. This emerging, highly efficient technology provides both heating and cooling for small single-family and multifamily households while avoiding costly electrical upgrades. A \$41 million budget was approved to fund this initiative over the next six years.

The CPUC also granted conditional approval for the [Induction Cooking MTI](#), which seeks to accelerate market adoption of induction cooktops and ranges to provide a high-quality cooking experience and a more efficient technology than traditional electric resistance and gas stoves. The effort includes bringing battery-enabled 120V stoves and cooktops to market to make induction cooking more accessible to California households. The conditional approval requires CalMTA to focus more on 120V plug-in products and resubmit via a Tier 2 Advice Letter in early 2026.

"These initiatives are designed to transform markets to drive long-term energy savings. The investment over the next six years will promote affordable room heat pump air conditioners and induction cooking ranges. They will remove barriers to

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electrification and improve access for Californians, especially those in disadvantaged communities,” said CPUC Commissioner Matthew Baker.

Together, the two MTIs target barriers to large-scale residential decarbonization that are beyond the reach of traditional energy efficiency programs. They will make 120V plug-in room heat pumps and induction cooking accessible and affordable for existing homes, including households that have historically not enjoyed the benefits of energy efficiency investments. Both initiatives seek to accelerate adoption of plug-in products compatible with standard wall outlets, eliminating the need for costly panel or service upgrades. They will prioritize deployment in environmental and social justice communities with a strong emphasis on minimizing negative bill impacts for participating consumers.

Market transformation is a proven strategy that deploys market-level interventions to accelerate adoption of energy-efficient technologies to deliver high-value, long-term benefits. These initiatives, and others under active development, will deliver cost-effective energy efficiency and decarbonization to all Californians and also help fulfill state ambitions for energy affordability, demand flexibility, workforce development, and equity.

“We are thrilled to begin delivering the benefits of market transformation to all Californians. These technologies include efficient products that are vital to home electrification, and the initiatives are intentionally designed to increase affordability and accessibility – especially for California’s environmental and social justice communities.” said Lynette Curthoys, VP Market Transformation at Resource Innovations.

The CalMTA team at Resource Innovations will seek third-party firms via a Request for Proposals (RFP) to implement the Room Heat Pump MTI, which is expected to be in market by early 2026. This work will initiate a cost-effective market transformation portfolio for California that will deliver substantial benefits for energy efficiency, decarbonizing the built environment, and supporting a healthy electricity grid. Upon CPUC approval of the Tier 2 Advice Letter, CalMTA will issue an RFP for the Induction Cooking MTI later in 2026.

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About the California Public Utilities Commission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

About CalMTA

CalMTA works to deliver cost-effective energy efficiency and decarbonization benefits to Californians through market transformation. CalMTA-developed market transformation initiatives also aim to advance State goals on demand flexibility, workforce development, and equity. It is a program of the California Public Utilities Commission (CPUC) and is administered by Resource Innovations.

About Resource Innovations

Resource Innovations is a women-led energy transformation firm focused on impact. Building on our expertise in energy efficiency, we're constantly expanding our portfolio of clean energy solutions to guide utilities through increasingly complex, connected challenges. Visit resource-innovations.com to learn more about how we are accelerating the clean energy transition and leading the charge to power change.

