# Efficient Heat Pump Water Heating for all Californians

*The Residential Heat Pump Water Heating (HPWH) Market Transformation Initiative (MTI)*

## ABOUT

The Residential HPWH MTI seeks to accelerate market adoption of HPWHs in California's residential markets. HPWHs are a proven, high-efficiency technology and are a key solution for achieving the state's building decarbonization, grid reliability, climate, and installation goals of 6 million heat pumps by 2030.

## HIGHLIGHTS

The Residential HPWH MTI represents a strategic opportunity to increase the impacts of substantial HPWH investments across California through a collaboratively developed, market-informed statewide approach that yields the following benefits:



- Aligning and simplifying existing programs statewide to reduce incentive fragmentation and uncertainty will create a stable, predictable environment that increases contractor confidence in the technology.
- Equipping the market with tools and resources to aggregate HPWH demand in targeted submarkets will lead to more installations and ultimately lower the cost of adoption.
- Building a consistent statewide infrastructure that responds to identified market needs will uniquely position this MTI to deliver outcomes that individual efforts have not been able to achieve—while also enabling other programs to reach their goals faster.

### VALUE

The Residential HPWH MTI is expected to cost $46.4 million and **will deliver a forecasted Total System Benefit (TSB) of $618 million** to California through 2046. This means that for every dollar invested in the initiative, California will receive approximately $13 worth of energy savings, greenhouse gas reductions, and electric grid benefits.

## EQUITY

- Proposed interventions will improve product affordability through demand aggregation in targeted sub-markets, including those prevalent in ESJ communities (e.g., rural areas with propane or manufactured housing) or where positive bill impacts are easily achieved (e.g., homes with older electric-resistance water heaters).
- This MTI will influence manufacturer development of alternative form factors to make HPWH technology accessible to more homes (such as multifamily units) and activate the retail channel to support lower-cost DIY/BIY installations.
- CalMTA will partner with trusted community outreach channels and help develop clear multilingual guidance on costs and bill impacts.



## About CalMTA

CalMTA works to deliver cost-effective energy efficiency and decarbonization benefits to Californians through a unique approach called market transformation. CalMTA-developed market transformation initiatives also aim to advance state goals on demand flexibility, workforce development, and equity.

Learn more: calmta.org
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CalMTA is a program of the California Public Utilities Commission (CPUC) and is administered by Resource Innovations