



2025 ANNUAL REPORT

Enduring IMPACT

Catalyzing market change for California's energy future

“**...market transformation strategies... offer the opportunity to provide customers with more cost-effective energy efficiency actions to help them reduce the cost burden of their energy bills over the long term.**”

California Public Utilities Commission Decision 25-11-023, November 2025

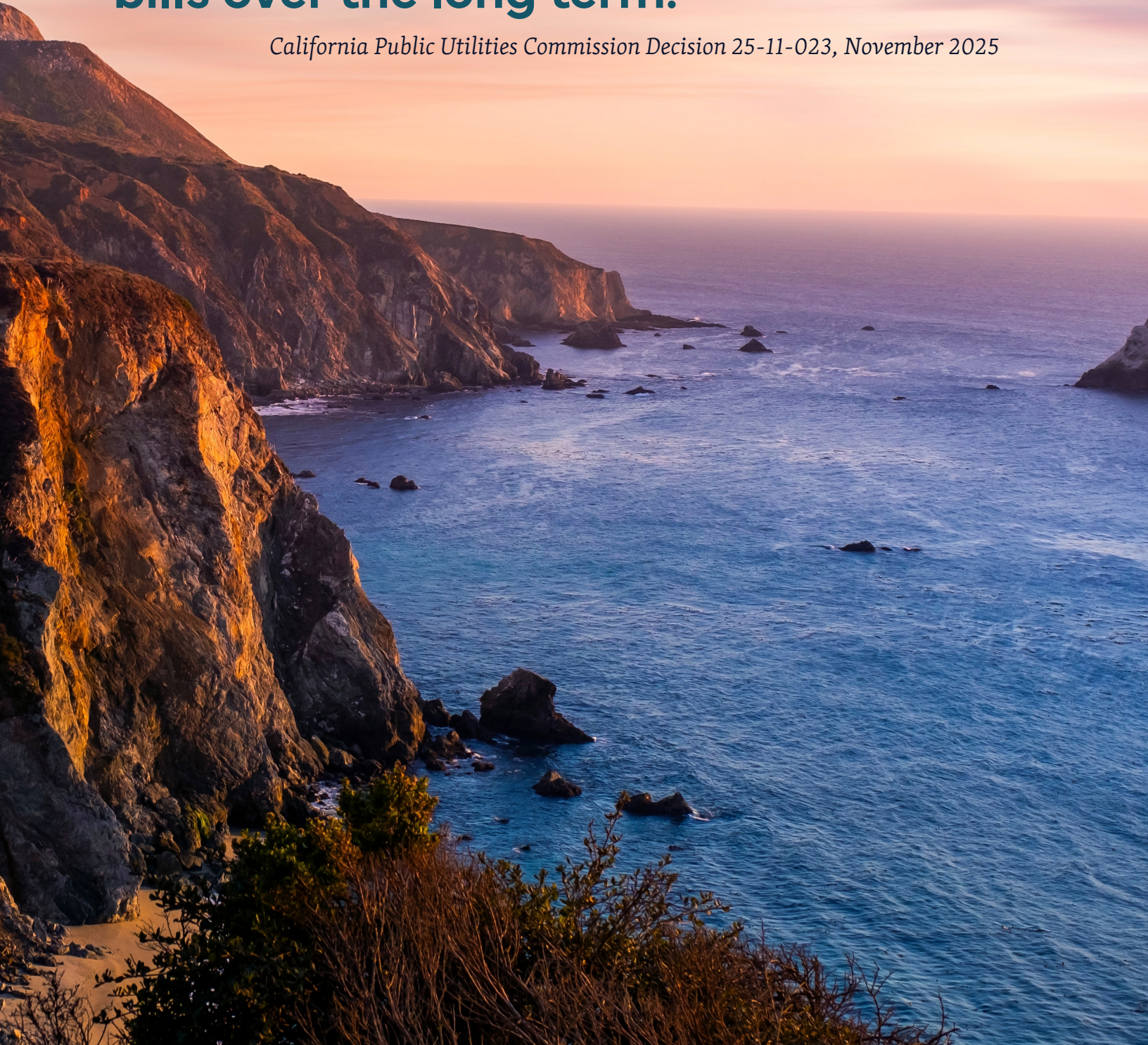


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SECTION 01

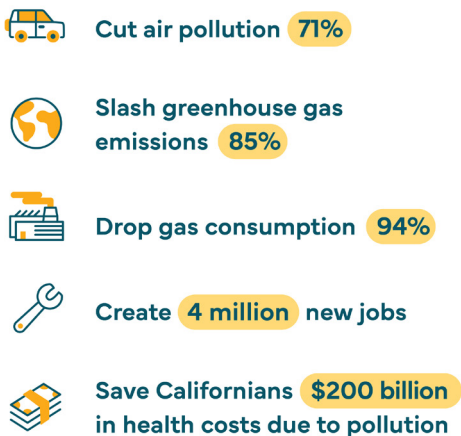
Introduction

CalMTA completed its third and final start-up year in 2025, advancing the creation of a market transformation (MT) portfolio designed to deliver impactful solutions that contribute to California's clean energy future and support the state's climate goals.



Figure 1. California's climate plan

California's climate plan lays the roadmap to 2045



Office of Governor Gavin Newsom, State of California

CalMTA, a program of the [California Public Utilities Commission](#) and administered by [Resource Innovations, Inc.](#), is California's statewide market transformation administrator established in late 2022 to deliver high-value energy efficiency and decarbonization via market transformation. Market transformation is a proven strategic process of intervening in a market to create lasting change. In the context of CalMTA's work, these changes work to deliver cost-effective energy efficiency and support California's goals on greenhouse gas (GHG) emissions reduction, workforce development, and equity.

This year marked a pivotal milestone for CalMTA, as the [California Public Utilities Commission](#) (CPUC) approved the state's first market transformation initiatives (MTIs) for implementation. [CPUC Decision 25-11-023](#) authorized immediate implementation of the [Room Heat Pumps \(RHP\) MTI](#) in November 2025, and granted conditional approval of the [Induction Cooking MTI](#). (The Induction Cooking MTI is being revised and will be submitted in 2026 for approval via a [Tier 2 Advice Letter](#)). Together, these initiatives are predicted to deliver nearly \$1 billion in Total System Benefit (TSB) to the state over their lifetimes.

This achievement reflects more than two years of rigorous MTI development —built on the strong foundation established during CalMTA's start-up period, strengthened through collaboration with numerous partners, and with an equity approach integrated into both approved MTI Plans.

With the approval of these MTIs, CalMTA is poised to begin making tangible contributions to California's energy goals. The Room Heat Pumps and Induction Cooking MTIs align with the Commission's priorities, reflected in Decision 25-11-023, for larger and lasting energy efficiency savings, equitable decarbonization, and customer affordability. Their deployment will support California's clean energy transition —one that is more affordable and more equitable for all Californians.








These initial MTIs represent only the beginning of the MT portfolio envisioned by the CPUC when it adopted the state's market transformation framework in 2019. Five additional initiatives that continued development in 2025 are slated to come to fruition in 2026 and 2027. We are also exploring new ideas that may enter the development pipeline in the year ahead.

As we mark the third year of MT portfolio development, we are excited to share our accomplishments in this 2025 Annual Report and continue propelling the market change needed for California's clean energy future.

See pages 36-37 for a full summary of work completed in 2025 per the activities described in the [2025 Operations Plan](#).

2025 AT A GLANCE

Table 1. CalMTA quarterly milestones

	Q1	Q2	Q3	Q4
MT idea development activities 	Launched development of a new Phase I idea – Commercial Building Efficiency Accelerator (CBEA)	Launched permanent Idea Portal	Developed and launched an online RFI dashboard	Completed Phase I research on two new MT ideas
MTI development 	Launched CBEA Advancement Plan development	Published final reports for Induction Cooking and RHP strategy pilots	Published CBEA Advancement Plan	Final draft of Commercial Rooftop Units (CRTUs) MTI Plan completed
MTAB activities 	Provided feedback on CalMTA recommendations for ideas submitted through the 2024 RFI	Reviewed CBEA Advancement Plan	<i>Idea to Initiative</i> education series kicked off for CRTUs	Reviewed CRTUs MTI Plan
Communications & engagement activities and development 	Launched National Room Heat Pump Collaborative	Launched redesigned CalMTA.org	Hosted Residential Heat Pump Water Heating Summit	Secured positive media coverage of the Decision across multiple reputable news organizations
Policy/document development 	Published 2025 Operations Plan	Published 2024 Annual Report	Published CRTUs Market Characterization Report	Published two reports on RHP research findings
Equity lens 	First meeting of Equity Sounding Board	Developed equity considerations for future implementation RFPs	Began participating in the Consortium for Energy Efficiency (CEE) Program Equity Committee	Presented at the Behavior, Energy & Climate Change (BECC) Conference as part of the "Market Transformation for the Hard to Reach" panel
Application proceeding activities 	Participated in prehearing conference and received the proceeding scoping memo	Prepared for and responded to intervenor testimony	Developed and filed opening brief and replies to other parties' opening briefs	First-ever statewide Market Transformation Initiatives approved via Decision 25-11-023

SECTION 02

Market Transformation Initiatives for implementation

The Room Heat Pumps and Induction Cooking MTI Plans—CalMTA's first tranche of MTIs to reach completion—were submitted in an Application to the CPUC in late 2024. The Application included detailed MTI Plans that when implemented will accelerate adoption of induction cooking and room heat pump technologies, which together are projected to deliver close to \$1 billion of cost-effective TSB through 2045.

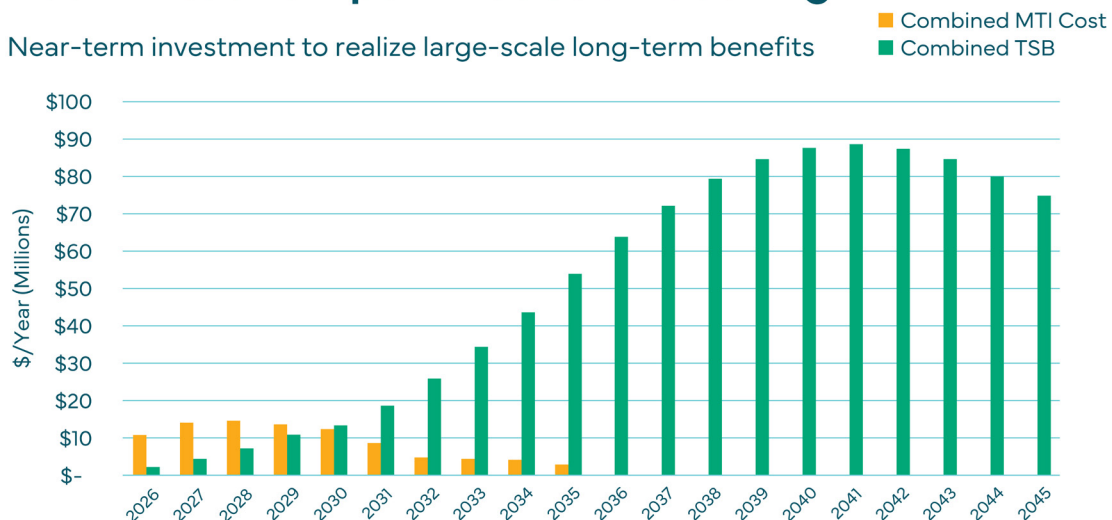
Figure 2. Room heat pumps and induction cooking technologies



Figure 3. TSB for combined Induction Cooking and RHP MTIs

Room Heat Pumps + Induction Cooking

Near-term investment to realize large-scale long-term benefits



This graph reflects numbers from the MTI Plans submitted in the Application proceeding for D.25-11-023.

These two MTIs aim to increase adoption through improved availability, awareness, and affordability, with a particular focus on environmental and social justice (ESJ) communities. The induction technologies include both battery-enabled and non battery-enabled, 120-volt (120V) appliances that eliminate the need for panel upgrades, making decarbonization more affordable and accessible to renters and low-income homeowners. Likewise, the room heat pump technology is a 120V plug-and-play option for multifamily and small single-family residences.

Following submission of the Application and throughout 2025, CalMTA continued research, strategy development, and market engagement activities for both initiatives, while also participating in the CPUC Application proceeding (more about the proceeding and the Decision can be found in the Application Proceeding section). This work kept CalMTA present in the market and created a strong foundation of manufacturer, retailer, and supply chain relationships that will position the initiatives for rapid deployment.

Room Heat Pumps

The Room Heat Pumps MTI seeks to accelerate market adoption of a 120V plug-in room heat pump space conditioner. This emerging, highly efficient technology provides both cooling and heating for small single-family and multifamily households while avoiding costly electrical upgrades.



In 2025, the Room Heat Pumps initiative progressed with research and market engagement activities while awaiting approval of the Application. Notable achievements are listed below:

- The National Room Heat Pumps Collaborative launched in partnership with the [Northwest Energy Efficiency Alliance \(NEEA\)](#), the [New York State Energy Research and Development Authority \(NYSERDA\)](#), and the [Consortium for Energy Efficiency \(CEE\)](#). The Collaborative is a united effort to leverage the strengths of energy efficiency organizations across the nation to increase market adoption of room heat pumps. By the end of 2025, membership grew to 35 organizations including implementers, utilities, manufacturers, and other market actors.
- The [Room Heat Pump Self-Installation Practices Strategy Pilot Report](#) was finalized, summarizing the results of a strategy pilot that tested residents' capacity to install RHP products independently without contractor involvement.
- CalMTA completed the [California Window Stock Study](#), an assessment of how well currently available products align with California's existing building stock and window forms. The project surveyed California homeowners on window types and awareness of RHPs.
- The [Room Heat Pumps Lab Testing Report](#) was completed, detailing a research project that tested the efficacy of five RHP units from four different manufacturers to better understand load-based heating performance and to inform energy modeling for measure packages.
- The [Geographic Targeting Using ENERGY STAR® Retail Products Platform \(ESRPP\) for Room Heat Pumps and Induction Cooking Strategy Pilot Report](#) was finalized. This study aimed to understand how the Induction Cooking and Room Heat Pump MTIs could engage with California retailers to increase sales of efficient equipment at stores located in ESJ communities.

Induction Cooking

The Induction Cooking MTI 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 ranges. The effort includes bringing both battery-enabled and non-battery-enabled 120V ranges and cooktops to market, making induction cooking more accessible to California households.



In 2025, the Induction Cooking initiative progressed with research, market engagement, and strategy development activities. Notable achievements are listed below:

- Completion of the [Chefluencer Event Testing Strategy Pilot Report](#), summarizing the results of a strategy pilot which tested how Chefluencer events can impact consumer opinions and create awareness of induction cooking's benefits.
- A research project in partnership with [Sacramento Municipal Utility District \(SMUD\)](#) and others to conduct consumer research targeting "opening price point" (OPP) consumers. Completed in the third quarter, this project gathered research to better understand cooking appliance preferences and awareness of induction cooking products.
- The [120V Battery-Equipped Induction Ranges Field Study Report](#) chronicled a field test conducted at Emerson Arms—a 32-unit affordable housing complex in Martinez—to evaluate the replacement of gas ranges with battery-enabled induction products. In partnership with [Eden Housing](#), the [Association for Energy Affordability \(AEA\)](#), and [Copper](#), data was gathered to assess how users adapt to 120V induction cooking, how specific product features align with their cooking habits, and how the technology impacts their overall satisfaction and understanding of how to use the equipment.
- Collaboration on a second decarbonization project with [Copper](#), the [AEA](#), [Los Angeles Cleantech Incubator](#), and the [Stanford Doerr School of Sustainability](#), at Villa Esperanza, an affordable multifamily housing development in Los Angeles. This project installed battery-enabled induction ranges and indoor air quality (IAQ) monitors in 24 residents' homes. IAQ data, induction range usage information, and user experience insights are being collected. This project will extend through 2026.

APPLICATION PROCEEDING

Throughout 2025, CalMTA participated in the CPUC Application proceeding to support approval of the Room Heat Pumps and Induction Cooking MTI Plans, including filing all necessary testimony, comments, replies, and briefs to address issues raised by various parties. These actions built a robust record that included the endorsement of the MTI Plans by non-profits focused on energy affordability, environmental justice, decarbonization, and community health. The proceeding extended through most of 2025 and culminated with the CPUC unanimously approving the first-ever statewide energy efficiency MTIs for California via [Decision 25-11-023](#) in November 2025.

CPUC DECISION OUTCOMES

The Decision authorized 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.

A Request for Proposals (RFP) was issued to seek a third-party firm(s) to implement the Room Heat Pumps MTI in December 2025. CalMTA will contract with a third-party implementer and launch [Phase III: Market Deployment](#) with an Implementation Plan for the Room Heat Pumps MTI in 2026. This MTI is expected to be in market by the end of the third quarter of 2026. A timeline showing activities and milestones for the Room Heat Pumps MTI is below.

Figure 4. Room Heat Pumps MTI timeline

2025	2026			
Q4	Q1	Q2	Q3	Q4
CPUC DECISION APPROVES MTI FOR IMPLEMENTATION			ISSUE EVALUATION RFP	CONTRACT WITH EVALUATOR
ISSUE IMPLEMENTATION RFP			CONTRACT WITH IMPLEMENTER	
			LAUNCH PHASE III: MARKET DEPLOYMENT	
			EXTERNAL PROGRAM ALIGNMENT MEETINGS BEGIN	

◆ Final Deliverable

The Induction Cooking MTI was granted conditional approval in the Decision, requiring CalMTA to focus more on 120V products—both with and without batteries—and resubmit via a Tier 2 Advice Letter in early 2026. Work began immediately in the fourth quarter to revise the existing MTI Plan and prepare to submit to the CPUC for approval in the first quarter of 2026. Once approved, CalMTA will issue an RFP for implementation of the Induction Cooking MTI in the third quarter and select a contractor to launch [Phase III: Market Deployment](#). The third-party contractor will then deliver an Implementation Plan for this MTI by the fourth quarter. Also in the fourth quarter, an RFP will be released to select a third-party evaluation contractor for the Induction Cooking MTI. A timeline showing activities and milestones for the Induction Cooking MTI is below.

Figure 5. Induction Cooking MTI timeline

2025	2026			
Q4	Q1	Q2	Q3	Q4
CPUC DECISION GRANTS CONDITIONAL APPROVAL FOR MTI	SUBMIT REVISED MTI PLAN VIA TIER 2 ADVICE LETTER TO THE CPUC		ISSUE IMPLEMENTATION RFP	CONTRACT WITH IMPLEMENTER
				LAUNCH PHASE III
				ISSUE EVALUATION RFP AND CONTRACT
				EXTERNAL PROGRAM ALIGNMENT MEETINGS BEGIN

◆ Final Deliverable ✓ Advice Letter

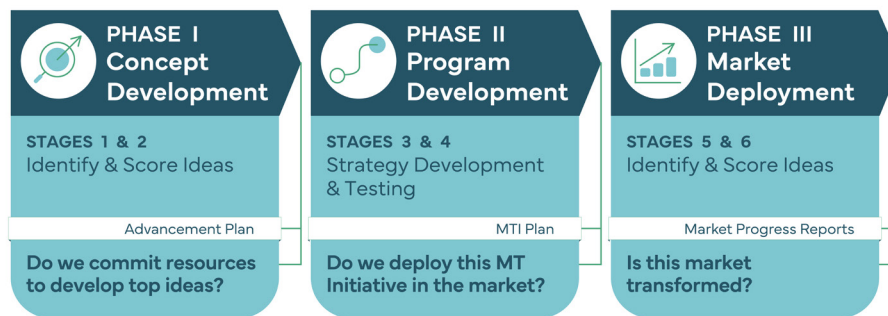
Finally, the Decision directed that CalMTA must file an additional Application to request CPUC approval of the next tranche of MTI Plans and the associated implementation and evaluation funding. This departed from the recommendation in the adopted [Market Transformation Framework](#) and CalMTA's policy request in the Application, which sought approval of future MTIs via Tier 2 Advice Letters. Requiring a second application significantly extended the time required to advance future MTIs from [Phase II: Program Development](#) to [Phase III: Market Deployment](#), and necessitated that CalMTA rework its [2026 Operations Plan](#) and program budget to take into account the impacts of these changes. Revised timelines that reflect this change are included in the forming initiatives section below.

SECTION 03

Market Transformation Initiatives under development

CalMTA uses a [three-phase MTI development process](#) to select and develop promising MT ideas that have high potential to create long-lasting change. The process includes a stage-gate model to help manage program risk, maximize the use of resources, increase transparency in our work, and support MTI creation from concept to program development to market deployment, and the eventual market exit.

Figure 6. MTI development/deployment process



In 2025, CalMTA continued to develop the MT portfolio with five additional ideas, which were vetted and prioritized for advancement after discussions with MTAB members, and approved by CPUC Energy Division staff to advance to Phase II: Program Development. This phase includes the research and analysis necessary to determine if the idea would be viable for an MTI.

Forming initiatives

Three MT ideas—[Commercial Rooftop Units](#), [Residential Heat Pump Water Heating](#), and [Commercial Replacement and Attachment Window Solutions](#)—were researched throughout 2025 in preparation for the development of detailed MTI Plans that would drive market changes and accelerate adoption of these products. CalMTA anticipates submitting MTI Plans for these forming initiatives in an Application for CPUC approval in the second quarter of 2026. The sections below detail activities and accomplishments completed in 2025 for each idea and provide timelines with anticipated next steps in 2026.

Figure 7. Commercial rooftop units, residential heat pump water heating, and commercial replacement and attachment window solutions technologies



Commercial Rooftop Units

Rooftop units are forced-air systems that package the evaporator, condenser coils, fans, and heating components into a single unit to serve a building’s heating, cooling, and ventilation (HVAC) needs. The CalMTA vision for RTUs includes high-efficiency heat pumps with variable-speed fans and connected commissioning and controls (CCC) that improve lifetime efficiency. The goal of this MTI is to accelerate adoption of CRTUs for both planned and unplanned HVAC replacements, delivering significant energy savings, improved occupant comfort, longer equipment life, and grid benefits to support California’s decarbonization and electrification goals.



CalMTA will partner with existing programs and related efforts to accelerate the adoption of more efficient equipment, influence manufacturer product lifecycles, and support the continued advancement of state and federal codes and standards.

Commercial Rooftop Units (cont.)

KEY ACCOMPLISHMENTS IN 2025

- [Phase II: Program Development](#) research, analysis, and activities took place throughout the year. To better understand market barriers, ensure the potential MTI had viable market leverage points and sound program logic, and prepare for assembly of a full MTI Plan, the CalMTA team completed the following activities:
 - CalMTA initiated a field study on the University of California, Davis campus to leverage integrated sensors and controls to understand the performance of heat pump rooftop HVAC units, and validate the savings and commissioning potential of remote-control systems. The field study also enabled the project team to gain insight into the decision-making process for selecting a replacement RTU that includes switching fuel for space heating.

Figure 8. CRTU field study at UC Davis

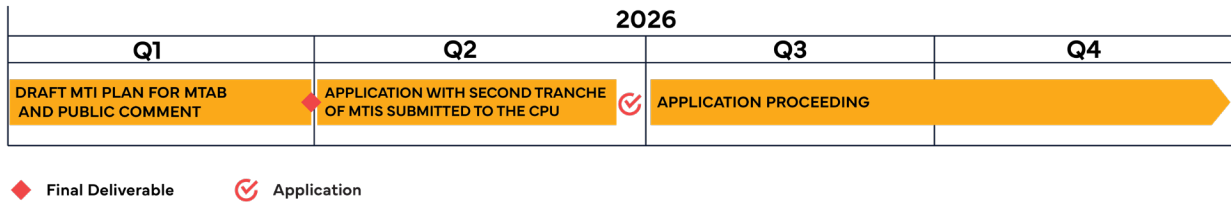


- CalMTA drafted the [CRTUs market characterization study](#) to better understand key barriers and opportunities, and to inform development of market adoption forecasts. The final report, representing [Appendix D](#) in the draft CRTUs MTI Plan, examines the California market for CRTUs, characteristics of recent sales, supply chain dynamics, regulations and other factors influencing buying decisions, as well as the light commercial HVAC workforce.
- A draft [product assessment report](#) was created outlining the availability of appropriate products for California markets, potential bill impacts, and technical barriers to accelerating market adoption of CRTUs.
- A draft evaluation plan was created to describe CalMTA's plans for third-party evaluation. Per the [MTI evaluation framework](#), CalMTA developed this preliminary evaluation plan with input from the [Evaluation Advisory Group](#). A final evaluation plan will be developed by an independent third-party evaluator to be selected by competitive bid process after the MTI advances to [Phase III: Market Deployment](#).
- CalMTA conducted national engagement with these market actors to stay informed about RTU developments across diverse climates and to ensure California and mild-climate perspectives are represented in these conversations:
 - [Consortium for Energy Efficiency \(CEE\)](#)
 - [Minnesota Center for Energy and Environment](#)
 - [Northwest Energy Efficiency Alliance \(NEEA\)](#)
 - [Nicor Gas](#)
 - [Northeast Energy Efficiency Partnership \(NEEP\)](#)
 - [United States Department of Energy \(DOE\)](#)

Commercial Rooftop Units (cont.)

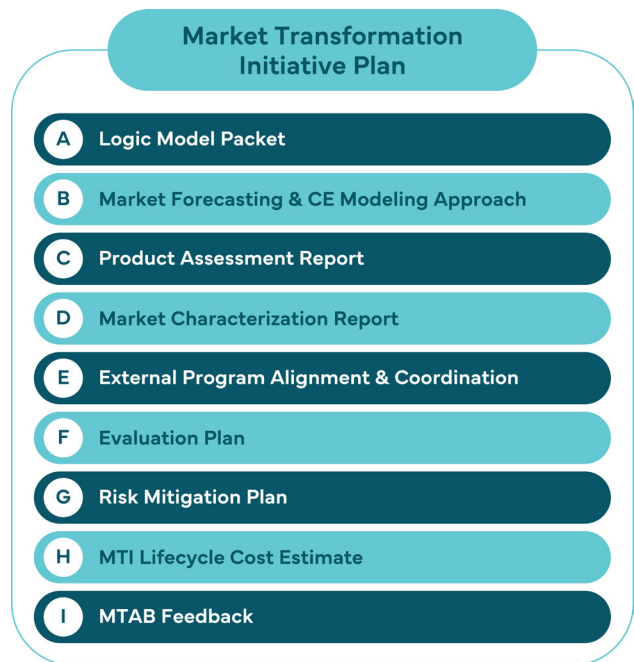
- CalMTA engaged in regular information-sharing and feedback solicitation on CRTUs MTI Plan development at four MTAB meetings in 2025, all of which allowed opportunity for public comment.
- The Logic Model and Market Transformation Theory was developed to articulate CalMTA’s understanding of the interventions necessary to remove barriers, expected outcomes of those interventions, and a pathway to the desired end state.

Figure 9. Commercial Rooftop Units MTI development timeline



The draft [Commercial Rooftop Units MTI Plan](#) including all appendices was shared for MTAB review and public comment in the fourth quarter of 2025 in preparation for completion and submittal of a second Application for CPUC approval alongside two other MTI Plans.

Figure 10. MTI Plan and appendices



Residential Heat Pump Water Heating (HPWH)

Residential HPWHs are two to three times more efficient than conventional gas and electric resistance water heating options. While residential HPWHs have been available for the past 15 years as energy-efficient alternatives that cut GHG emissions and improve local air quality, they represent only 5-6% of the water heaters sold in California. The Residential HPWH MT idea seeks to align the various statewide efforts currently underway to accelerate market adoption of HPWHs in the single-family and multifamily property sectors.

KEY ACCOMPLISHMENTS IN 2025

- **Phase II: Program Development** research and analysis took place throughout 2025, after kicking off the previous year. To better understand market barriers, ensure the potential MTI had viable market leverage points and sound program logic, and prepare for assembly of a full MTI Plan, the CalMTA team completed the following activities:
 - Market research including customer, installer, and building owner/manager surveys to inform baseline market conditions and to understand awareness and perceptions. Research and analysis of the findings fed the development of the **Residential HPWH Market Characterization Report** in the third quarter.
 - Technology and product assessment research including:
 - A HPWH reliability assessment and electrical panel readiness assessment to help identify key data gaps and confirm alternative approaches to panel upgrades
 - Development of the product definition and the market adoption product scenarios to inform market adoption models
 - Development of a **draft product assessment report**



- First draft of the Residential HPWH **Logic Model** and Market Transformation Theory to articulate CalMTA's understanding of the interventions necessary to remove barriers, expected outcomes of those interventions, and a pathway to the desired end state
- Hosted the **Residential HPWH Market Acceleration Summit** in Oakland, California in the third quarter of 2025. The event brought industry leaders together in a collaborative frame to identify and develop pathways that could remove persistent barriers and ultimately accelerate and sustain market adoption of heat pump water heaters.

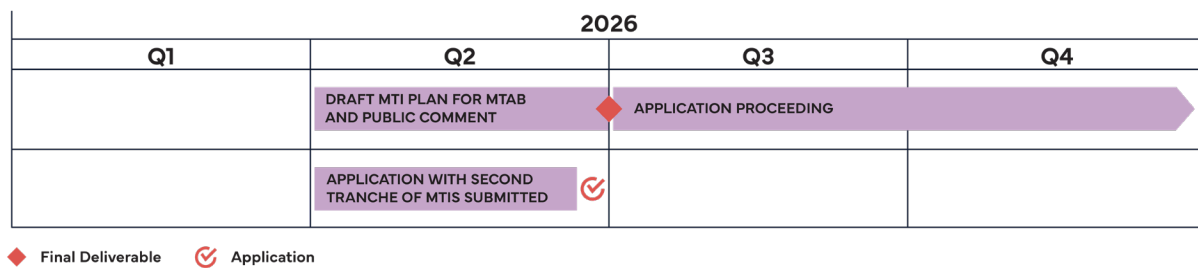
Residential HPWH (cont.)

- MTI Plan development began in the third quarter of 2025. The first key portions of the plan were shared via the [Idea to Initiative education series](#) at the [November 2025 MTAB meeting](#) including the Logic Model, Market Transformation Theory and the Market Characterization Report. The remainder will be shared at MTAB meetings in the first quarter of 2026. Following MTAB and public review, the final MTI Plan will be completed and submitted to the CPUC for approval in the second quarter, as reflected in the Residential HPWH timeline below.

Figure 11. Residential HPWH Market Acceleration Summit



Figure 12. Residential HPWH MTI development timeline



Commercial Replacement and Attachment Window Solutions (CRAWS)

Although windows on average comprise approximately 15% of a building’s exterior surface, they are responsible for HVAC load of approximately 40%, which equates to roughly 12% of a typical building’s overall energy use. CRAWS technologies can improve building envelope thermal performance and allow for downsizing HVAC systems. The CRAWS MT



idea will work to promote efficient alternatives to full window replacement in California’s many commercial buildings with single-pane windows and specifically targets buildings in the municipal, university, school, and hospital (MUSH) market.

CRAWS (cont.)

KEY ACCOMPLISHMENTS IN 2025

- **Phase II: Program Development** research and analysis took place throughout 2025, after kicking off the previous year. To better understand market barriers, ensure the potential MTI had viable market leverage points and sound program logic, and prepare for assembly of a full MTI Plan, the CalMTA team completed the following activities:
 - Market research:
 - A secondary research and literature review
 - Market interviews with MUSH building owners and property managers, tenants and business owners, and window contractors, manufacturers and Energy Service Companies (ESCOs)
 - Survey of building owners and property managers
 - Research and analysis of the findings fed the development of the draft **CRAWS Market Characterization Report** in the third quarter.
 - A field study focused on energy impacts and non-energy benefits of a CRAWS installation at Madison Elementary, a public elementary school in an ESJ community in Madera, California. Commercial Secondary Windows (CSW) were installed in the second quarter, and testing began early in the third quarter. Testing at the site will run for a full year, concluding in the fourth quarter of 2026.

Figure 13. CRAWS field study



- MTI Plan development began in the third quarter of 2025. The first key portions of the plan were shared via the **Idea to Initiative education series** at the **November 2025 MTAB meeting** and included the Logic Model, Market Transformation Theory and the Market Characterization Report. The remainder will be shared at MTAB meetings in the first quarter of 2026. Following MTAB and public review, the final MTI Plan will be completed and submitted to the CPUC for approval in the second quarter of 2026, as shown in the CRAWS timeline below.

Figure 14. CRAWS MTI development timeline

2026			
Q1	Q2	Q3	Q4
FIELD STUDY AT MADISON ELEMENTARY SCHOOL			◆
	DRAFT MTI PLAN FOR MTAB AND PUBLIC COMMENT	◆	
	APPLICATION WITH SECOND TRANCHE OF MTIS SUBMITTED	✔	APPLICATION PROCEEDING

◆ Final Deliverable ✔ Application

Developing initiatives

CalMTA's two initiatives in development—[Foodservice Water Heating Systems](#) and [Commercial Building Efficiency Accelerator](#)—began 2025 at the start of Phase II: Program Development and in Phase I: Concept Development, respectively. Both will continue through Phase II: Program Development research, analysis and activities in the coming year.

Figure 15. Foodservice water heating systems and commercial building efficiency accelerator initiatives



Foodservice Water Heating Systems

Restaurants are extremely energy-intensive, using five to seven times more energy than other commercial buildings, with water heating alone accounting for up to 20% of that demand. In California, the foodservice industry predominantly relies on gas for heating water, with 75% of establishments using it as their primary fuel source. This results in

a staggering 340 million therms of gas consumption annually, emitting 4.8 million tons of carbon dioxide. The Foodservice Water Heating Systems MT idea seeks to transform the market for more efficient water heating technologies in the foodservice industry.



Foodservice Water Heating Systems (cont.)

KEY ACCOMPLISHMENTS IN 2025

- **Phase II: Program Development** research, analysis, and activities ramped up in 2025 after kicking off in the fourth quarter of 2024. CalMTA completed the activities detailed below:
 - Market research:
 - Completed secondary research to inform market size, penetration, and supply chain dynamics, while identifying key information gaps to address via market actor interviews
 - Completed interviews and surveys with foodservice owners, associations, and manufacturers to understand decision-making processes, installation practices, and market challenges
 - Product assessment:
 - Completed technical secondary research, confirming the importance of optimizing distribution systems and reducing hot water load, identifying data gaps related to recirculation loops, and space cooling impacts
 - Completed site surveys at foodservice establishments throughout California to better understand existing system configurations, technical barriers, and hot water demand in real world settings, and began analyzing results

Commercial Building Efficiency Accelerator (CBEA)

Commercial buildings are responsible for 35% of the electricity and 18% of the total energy consumed in the U.S., and the most energy-intensive commercial buildings in California consume between 65%-183% more energy than average buildings. Despite the clear potential for optimizing energy use and reducing GHG emissions, the commercial building sector has struggled to justify investments in energy upgrades. The CBEA MT idea seeks to create a tailored approach by embedding energy and emissions planning as a standard practice in building management.



KEY ACCOMPLISHMENTS IN 2025

- **Phase I: Concept Development** activities were completed, including:
 - Engagement with AI-powered commercial real estate operations companies for research on available financial tools for building owners
 - Engagement with stakeholders invested in the development of building performance standards
 - Development of preliminary technical assessment, market research, and energy modeling criteria for CBEA

CBEA (cont.)

- Completed the [CBEA Advancement Plan](#), following review by MTAB and a public comment opportunity. CalMTA received approval from CPUC Energy Division staff in the third quarter, after resolution of public comments, and subsequently entered Phase II: Program Development
- [Phase II: Program Development](#) research, analysis, and activities kicked off in the third quarter, including:
 - Market Research:
 - Literature review to understand how data and benchmarks can drive adoption of this practice
 - Market observer interviews with key building decision-makers to identify and understand financial strategies commonly used when investing in existing commercial buildings
 - Developed and began execution of product and market research plans for this MT idea that seek to embed energy and emissions planning as a standard practice in building management, enabling building owners to identify, prioritize, and invest in strategic building upgrades.

Cultivating new ideas

In the first quarter, CalMTA delivered a [Phase I update memo](#) describing the next batch of ideas that were submitted through the 2024 RFI and prioritized for concept development with input from MTAB members. In this update memo, the CBEA idea was identified as CalMTA's recommendation for Advancement Plan development. A complete [Disposition Report for the second RFI](#), which was open for submissions from May 29 – July 3, 2024, was published in the second quarter.

Also in the second quarter, CalMTA permanently opened the [Request for Ideas portal](#) to enable interested parties to share their recommendations for energy-efficient products and practices to be considered for MT development year-round. Since opening the permanent idea portal, CalMTA has received six ideas, all of which were duplicates of or related to ideas previously submitted and archived.

A comprehensive, publicly available [online dashboard](#) was developed in the third quarter to consolidate all MT ideas submitted to date, including the first two time-bound RFIs and the current open RFI. The dashboard enables users to search our cache of submitted ideas using sort and filter functions. At the end of 2025, 138 total MT ideas had been submitted to CalMTA.

CalMTA continued with technology scanning and screening throughout 2025 and completed [Phase I: Concept Development](#) research on Low Carbon Calcined Clay Cement (LCCC) and Industrial Heat Pumps markets and technology readiness to inform potential future MTI development.

SECTION 04

Applying our equity lens

CalMTA made meaningful progress in advancing and deepening our equity approach in 2025. MTI programs have historically prioritized risk-tolerant early adopters to build market share, with ESJ communities left to gain access to new technologies or practices much later in the market diffusion cycle, if at all. To ensure ESJ communities receive the benefits of California’s market transformation efforts, CalMTA applies an equity lens to MTI development and examines specific barriers ESJ communities face in adopting targeted products and practices that can be addressed at the market level. Key activities conducted to support CalMTA’s equity intentions are described below.



Equity in the Application proceeding and the MTIs moving into implementation

The importance of CalMTA’s efforts to prioritize equity in MTI development was heightened during the CPUC proceeding that ultimately approved the Room Heat Pumps and Induction Cooking MTIs for market deployment. [Earthjustice](#), on behalf of the [California Environmental Justice Alliance \(CEJA\)](#), served as an active supportive party to the proceeding – playing an instrumental role in advocating for the benefits these MTIs will deliver to ESJ communities. An ex parte letter filed by Earthjustice and signed by the [Central California Asthma Collaborative](#), [Natural Resources Defense Council](#), [Building Decarbonization Coalition](#), [Rising Sun Center for Opportunity](#), [Rewiring America](#), and [Sierra Club](#), urged the Commission to:

“

... advance both equity and affordability by helping make decarbonization accessible to low-income and renter households and by reducing the need for grid upgrades to enable the high levels of electrification necessary to achieve the state’s climate and air quality objectives.

”

Other equity entities supported CalMTA’s application indirectly through public comments at CPUC meetings and related market activities.

Equity integration in forming MTI Plans

MTI Plan development in 2025 benefited from the cross-cutting tools and resources developed to support application of CalMTA's equity lens, including an equity consultant embedded across MTI teams and documented guidance for integrating equity considerations into market research, logic models, and strategic interventions. This work manifested in market-informed equity approaches for each of CalMTA's forming initiatives:

- **CRTUs MTI Plan:** The MTI seeks to influence development of inclusive training pathways specific to advanced CRTUs with a goal of improving accessibility to ESJ communities and ensuring the availability of a skilled workforce in these communities to install products without a cost premium. Demonstration projects planned for deployment in ESJ communities will validate CRTU savings and other benefits, informing a business case for adoption that reflects the needs and priorities of both contractors and building owners/operators facing equity-specific adoption barriers. The CRTU feature of connected commissioning and controls (CCC) aims to provide small building owners and tenants with accessible, building-management-style functionality, enabling small businesses to take advantage of improved visibility into RTU performance and energy savings that were previously available only in large buildings.
- **CRAWS MTI Plan:** This MTI specifically addresses barriers faced disproportionately by ESJ communities, including poor-performing envelopes, inefficient HVAC systems, and limited access to financing. Project demonstrations in ESJ communities, conducted in partnership with CBOs, will highlight affordable CRAWS solutions and validate energy, non-energy, and resiliency benefits. By promoting window upgrades as a step before HVAC right-sizing, the MTI's "envelope-first" business case will support long-term affordability and reduced peak energy demand. The MTI will also engage the supply chain to increase inclusive trainings for installation contractors located in or serving ESJ communities, and will work with ESJ advocates to build community understanding of the technology and promote accessible financing mechanisms.
- **Residential HPWH MTI Plan:** Proposed interventions will improve product affordability through demand aggregation in targeted sub-markets, including those more 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). They will also influence manufacturer development of alternative form factors to make HPWH technology more accessible to more homes (such as multifamily units) and will activate the retail channel to support lower-cost DIY/BIY installations, paired with trusted community outreach channels and clear, multilingual guidance on costs and bill impacts.

Equity Sounding Board

Throughout 2025, our ongoing partnership with an eight-member Equity Sounding Board has enabled CalMTA to more effectively integrate ESJ community perspectives into market research, MTI logic model development, project strategy and implementation approach, and evaluation metrics. This group of diverse professionals, formed in Dec. 2024, provided critical input to help mitigate any unintended negative impacts of our work and strengthen equity approaches at key stages of development through four formal meetings and ad-hoc consultations for MTI teams.

Equity Sounding Board engagement directly enhanced the equity approach for multiple MTIs this year, including feedback on equity metrics used to evaluate CalMTA's second tranche of MTIs; identification of diverse entities to participate in market research for the CRAWs and Foodservice Water Heating Systems MTIs (including on-site translation support); and input into strategic interventions for the CRTUs and Residential HPWH MTI Plans. A consulting session conducted during development of CalMTA's first implementation RFPs yielded recommendations for encouraging participation from diverse firms and specific considerations related to RFP outreach, teaming strategies, and scoring criteria.

The Equity Sounding Board, comprised of professionals who advocate for, or work within, ESJ communities, supports CalMTA's efforts to apply an equity lens in the development of a market transformation portfolio for California. They provide professional insight and guide our work to include ESJ interests and confirm strategies that will deliver benefits to these communities.

Current Equity Sounding Board members:

- **Adriana Ayala, PhD** | Executive Director, Chicana Latina Foundation
- **Alicia Bohigian** | Assistant Program Director, Self-Help Enterprises
- **Dr. Federico Castillo** | Project Scientist and Lecturer, University of California, Berkeley
- **Maria Dahlin** | Tribe Council Member, N'de Apache Tribe
- **Michelle Engel-Silva** | CEO, Proteus, Inc.
- **Elisa Gallegos Jackson** | Nurse, Retired Public Health Nurse, Community Health Educator and Independent Consultant
- **Joaquin Narvaez** | Owner, West Coast Green Builders LLC
- **Johng Ho Song** | Executive Director, Koreatown Youth and Community Center

SECTION 05

Engagement and collaboration

In 2025, CalMTA continued to effectively communicate with CalMTA stakeholders and other interested parties, engaging regularly to listen, collaborate, and provide updates on our progress toward developing long-lasting, energy-efficient MTIs for California.

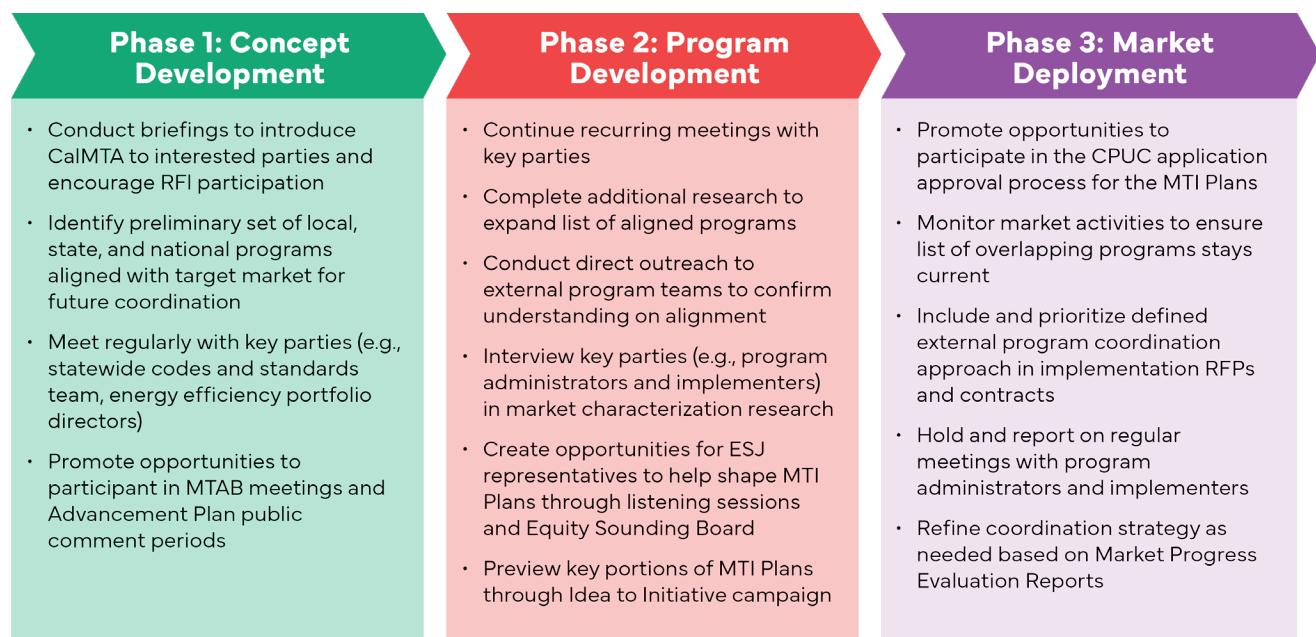
Throughout the year, CalMTA carried out multichannel communications, education, and outreach efforts. Plans, reports, blogs, and updates were shared via CalMTA.org, newsletters, webinars, events, MTAB meetings, and the CPUC service list to keep audiences informed and involved.

CalMTA worked with energy efficiency stakeholders, market actors, and others to ensure MTIs will complement current activities, avoid duplication, and minimize market confusion. Through ongoing engagement and collaboration, we continued to maximize input on our initiative development and to ensure MTI alignment in the future.

External program alignment and coordination

Throughout each phase of CalMTA's [three-phase MTI development process](#), the team conducts engagement activities to align with external programs working in the same or similar markets and maximize leverage, identify opportunities for collaboration, and minimize overlap or duplication of efforts.

Figure 16. Engagement activities by phase



External program alignment and coordination (cont.)

Regular meetings with key external entities relevant to multiple MTIs, including the Investor-Owned Utilities (IOU) energy efficiency portfolio directors, IOU Codes and Standards Working Group, and [CalNEXT](#), continued throughout the year, allowing CalMTA to solicit feedback at specific stages of development. MTI-specific external program engagement activities conducted in 2025 are described below.

To inform Phase I development of the Commercial Building Efficiency Accelerator (CBEA) Advancement Plan, CalMTA completed a market scan to identify a preliminary set of programs for future coordination and conducted initial outreach to several priority entities. Promoting public comment opportunities through MTAB meetings and the CPUC Energy Division's Public Document Area (PDA) site equipped the CBEA team with valuable market insight to refine and finalize the Advancement Plan.

Key activities conducted in Phase II of development for the CRTUs, CRAWs, Residential HPWH, and Foodservice Water Heating Systems MTIs included:

- Additional research and discovery to expand the initial list of relevant external programs and ensure MT strategies were aligned with the current landscape
- Structured market characterization interviews with program administrators and implementers helped deepen CalMTA's understanding of the current market and inform our MT approach
- Direct engagement with key programs across California and at the national level provided input into evolving MTI Plans and laid a foundation for future coordination.

The [Idea to Initiative educational series](#) for CRTUs, CRAWs, and Residential HPWH MTIs helped educate external programs and other interested parties (further described in the *Idea to Initiative* section). CalMTA promoted the draft CRTUs MTI Plan for public comment to external programs when it was posted to the CPUC's PDA site in Nov. 2025.

In preparing for the Room Heat Pumps and Induction Cooking MTIs to move into [Phase III: Market Deployment](#), CalMTA began developing mechanisms to formally document areas of alignment and coordination with key programs in these markets. In addition to ongoing direct engagement with these programs, CalMTA also solicited feedback on this process from Program Administrators. The resulting external program coordination approach is a distinct scope of work in the Room Heat Pumps RFP and will be included in future implementation RFPs.

External communications

Throughout 2025, CalMTA continued to share with MTAB and the public an extensive amount of published plans, reports, and progress updates including the [2024 Annual Report](#), [2025 Operations Plan](#), and [Quarterly Report webinars](#).

In the second quarter of 2025, CalMTA launched a redesigned version of [calmta.org](#). With seven initiatives under development and a rapidly expanding library of research, resources, and plans, the updated site makes it easier for visitors to locate, access, and use information.

External communications (cont.)

In addition to calmta.org, CalMTA leveraged multiple communication channels—including email newsletters, the CPUC’s energy efficiency service list, and social media—to share our published plans, reports, and progress updates.

In total, 20 reports and plans were published:

- [3rd Quarter 2024 Activity Report](#)
- [2025 Operations Plan](#)
- [Fact Sheet: Room Heat Pumps Installation Strategy Pilot](#)
- [Fact Sheet: Foodservice Water Heating Systems](#)
- [Fact Sheet: Residential Heat Pumps Water Heating](#)
- [Fact Sheet: Commercial Replacement and Attachment Window Solutions](#)
- [Chefluencer Event Testing Strategy Pilot Report](#)
- [1st Quarter 2025 Activity Report](#)
- [2024 Annual Report](#)
- [Room Heat Pump Self-Installation Practices Strategy Pilot Report](#)
- [Disposition Report for the 2024 RFI](#)
- [2nd Quarter 2025 Activity Report](#)
- [Commercial Rooftop Units: Market Characterization Report](#)
- [Commercial Building Efficiency Accelerator Advancement Plan](#)
- [3rd Quarter 2025 Activity Report](#)
- [Room Heat Pumps MTI Plan Overview](#)
- [Induction Cooking MTI Plan Overview](#)
- [Commercial Rooftop Units MTI Plan](#)
- [Room Heat Pumps Lab Testing Report](#)
- [California Window Stock Study](#)

Figure 17. A sample of published plans and reports in 2025



Events and conferences

Events and conferences provide valuable opportunities for CalMTA to meet stakeholders where they are and share our plans, activities, and impact. Throughout the year, CalMTA staff attended or presented at 25 industry meetings and conferences to connect with stakeholders and nurture opportunities for collaboration. These engagements allowed us to share our work, strengthen relationships, and explore opportunities for collaboration and alignment.

Figure 18. CalMTA staff at events



Idea to Initiative education series

To support awareness and receive valuable feedback about the development of CalMTA's forming initiatives—CRTUs, Residential HPWH and CRAWs MTIs—CalMTA launched a second iteration of the [*Idea to Initiative education series*](#) in the third quarter of 2025. The series was designed to preview and discuss key elements of the MTI Plans with CalMTA stakeholders prior to their planned submission to the CPUC for approval in second quarter of 2026.



**Idea to Initiative
education series**
(cont.)



MTAB and the public were introduced to the critical components of the MTI Plan including:

- **Part 1: Market Transformation Theory and Logic Models**

This part focused on the MT theory and logic model. Based on a product assessment and market characterization research, the MT theory and logic model represent the basis for the MTIs’ strategies and are a visual way of presenting interventions that are necessary to remove barriers, expected outcomes of those interventions, and a pathway to the desired end state.

- **Part 2: Product Assessment and Market Progress Indicators (MPIs) and Milestones**

This includes the product assessment, which presents the findings of the technology research conducted in Phase II: Program Development, and outlines the availability of appropriate products for California markets, potential bill impacts, and technical barriers to accelerating market adoption of the targeted products. The MPIs and Milestones describe the metrics CalMTA will use to track progress toward the expected outcomes in the logic models and confirm market adoption progress.

- **Part 3: Total System Benefit (TSB) and cost effectiveness, Evaluation Plan, and Draft MTI Plan & Appendices**

This part shares the estimates for TSB—the dollar-value metric that measures energy savings, grid benefits and reliability, and greenhouse gas impacts—and cost-effectiveness, the MTI’s Evaluation Plan and the Draft MTI Plan and Appendices.

The ongoing *Idea to Initiative* education series includes presentations and discussions at MTAB meetings, and development of frequently asked questions and other online resources that provide more information about the MTI Plan components for CalMTA’s forming initiatives.

SECTION 06

Operations, policy, and finances



CalMTA performed a wide range of ongoing operational activities including project financial support, contract management and compliance monitoring, and information technology system development and support in 2025. Key outcomes are below.

- CalMTA released its [2025 Operations Plan](#), which describes the activities we planned to execute and the milestones we aimed to accomplish throughout 2025.
- In the first quarter of 2025, CalMTA finalized a Solicitation Protocols document to guide fair and competitive RFP processes for selecting future implementation and evaluation contractors. The document describes how solicitations will be handled including how to avoid conflicts during the procurement process.
- Guided by the Solicitation Protocols, CalMTA subsequently developed and launched a [Solicitations Portal](#) in the third quarter. The portal was developed to streamline intake and management of future RFPs and other solicitations, including those issued in 2025.
- CalMTA's inaugural RFP, for an Organizational Review, was issued in the third quarter. The RFP sought a contractor to conduct a thorough review of CalMTA's operations and identify opportunities to improve practices and systems developed during CalMTA's three-year start-up period, including those related to communication, administration, MTI management, and overall organizational effectiveness. Slated for completion in 2026, the Organizational Review will serve as a tool to guide CalMTA's future organizational practices.
- In the fourth quarter, CalMTA's issued its first implementation RFP for the Room Heat Pumps MTI, as further detailed in Section 02.
- Throughout 2025, CalMTA reported on our progress via the [Key Performance Indicators \(KPI\) Scorecard](#). The KPI scorecard was updated quarterly and posted on calmta.org.

Market Transformation Advisory Board

The MTAB met [six times](#) in 2025 to review and discuss MTI development aspects, CalMTA budgets and other policies, advancement of our equity lens, and stakeholder outreach and engagement. Key MTAB activities are below:

- Members reviewed and provided feedback on the following reports and plans:
 - [2024 RFI Disposition Report](#) – 2nd quarter
 - [CBEA Advancement Plan](#) – 3rd quarter
 - [CRTUs MTI Plan](#) – 4th quarter
- To fill MTAB vacancies resulting from one-year term expirations, CalMTA collaborated with the CPUC to recruit and seat four MTAB members for new two-year terms in April 2025. Two of the members were current MTAB members that reapplied for new terms and were resealed. MTAB members beginning new terms in April 2025 include:
 - **Cyane Dandridge, SEI** | Workforce and/or Labor Representative
 - **Jeff Harris, Northwest Energy Efficiency Alliance (NEEA)** | National/Regional Energy Efficiency Policy Professional
 - **Mary Anderson, Pacific Gas and Electric Company (PG&E)** | Investor-Owned Utility (IOU) Representative
 - **Jennifer Green, MCE** | Community Choice Aggregation/Regional Energy Network (CCA/REN) Representative
- In April 2025, CalMTA reviewed with new and existing MTAB members the [MTAB Charter and COI Rules](#), including roles and responsibilities, member expectations, and process for meeting notices, public comment, and meeting notes.

CalMTA Market Transformation Advisory Board

The Market Transformation Advisory Board (MTAB) is a requirement of the CPUC decision that set up the CalMTA program. MTAB members provide expertise and unbiased, non-binding recommendations to CalMTA and the CPUC during the design and implementation of MTIs. The nine-member body is comprised of representatives from diverse backgrounds and perspectives working at the intersection of energy efficiency, decarbonization, evaluation, consumer advocacy, and workforce development. CalMTA's 2025 MTAB members were:

- **Mary Anderson**, Principal Program Manager at Pacific Gas & Electric | IOU Representative
- **Cyane Dandridge**, Founder & Executive Director of Strategic Energy Initiatives | Workforce and/or Labor Representative
- **Hayley Goodson**, Managing Attorney with the Utility Reform Network | Ratepayer Advocacy/Protection Representative
- **Fred Gordon**, Independent (formerly Energy Trust of Oregon) | Evaluation Professional Representative
- **Jennifer Green**, Manager of Customer Program at MCE | CCA/REN Representative
- **Jeff Harris**, Chief Transformation Officer for the Northwest Energy Efficiency Alliance | National/Regional Energy Efficiency Policy Professional Representative
- **Peter Miller**, Independent (formerly NRDC) | Environmental Advocacy Representative
- **Christie Torok**, Regulatory Analyst at the CPUC | CPUC Representative

Policy

Throughout 2025, CalMTA worked to ensure its activities remained aligned with current and emerging policy priorities across California’s building decarbonization landscape. This effort included tracking relevant legislative activity, monitoring regulatory proceedings, and staying informed about evolving policy, regulatory, and market developments that affect CalMTA’s mission and program portfolio.

CalMTA’s policy staff monitored actions and decisions at the CPUC, California Energy Commission (CEC), and California Air Resources Board (CARB), as well as relevant developments from local air districts and other state and local jurisdictions.

Examples of the policy developments tracked by CalMTA in 2025 include:

- The CPUC’s opening of Rulemaking [R.25-04-010](#) as the new energy efficiency proceeding for oversight of portfolios, policies, and evaluation – including oversight for market transformation programs, together with adoption of [D.25-08-034](#) establishing energy efficiency goals for 2026–2037
- Implementation milestones under [SB 1221](#), including required gas utility mapping by July 1, 2025, and CPUC designation of priority neighborhood decarbonization zones by January 1, 2026
- CEC implementation of the [2025 Building Energy Efficiency Standards](#), which expand the use of heat pumps, encourage electric-readiness, and apply to permit applications submitted on or after January 1, 2026
- CARB’s continued development of zero-emission space and water heater standards, including its December 11, 2025 public workshop on a revised regulatory proposal and supporting technical analysis
- Ongoing local air district activity, such as the Bay Area Air District’s October 24, 2025 Rule 9-6 concepts paper focused on affordability and availability considerations and South Coast AQMD’s June 6, 2025 board vote not to approve proposed amended Rules 1111 and 1121

Monitoring these developments helped CalMTA ensure that MTI planning, implementation, and market strategy remained aligned with evolving statewide and local requirements affecting electrification, affordability, air quality, and long-term decarbonization pathways.

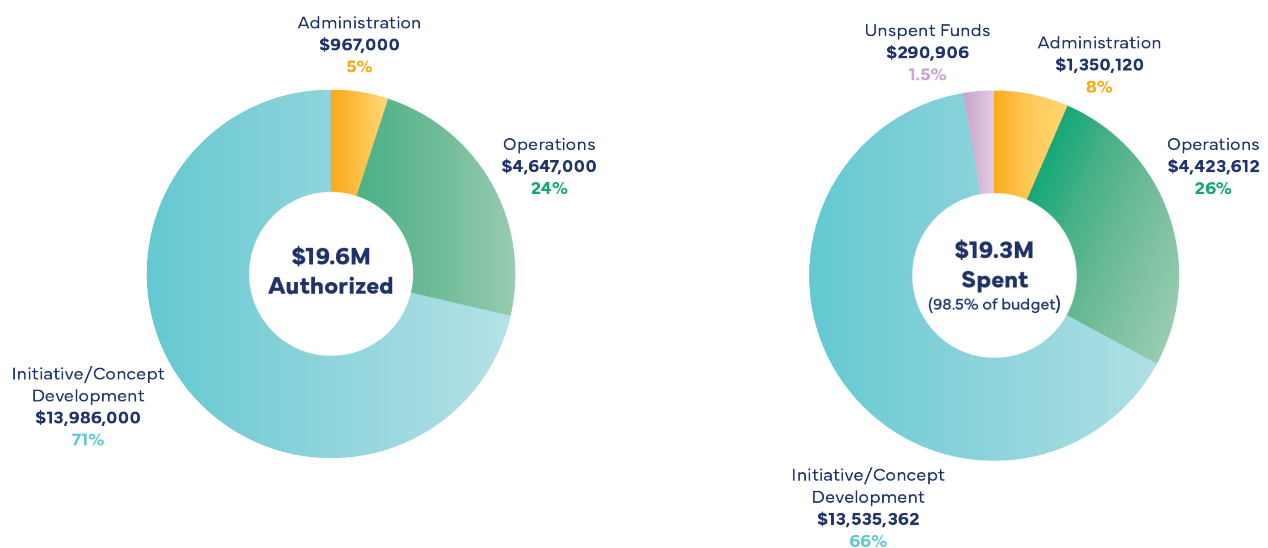


Finances

2025 was year three of the start-up period for CalMTA with an authorized budget totaling \$19.6M. The budget was divided among three cost categories: administration, operations and initiative/concept development with forecasted budget amounts for each.

Actual expenditures totaled \$19.3M.

Figure 19. Forecasted budget by cost category and actual expenditures by cost category



SUMMARY OF BUDGET ADAPTATIONS AND FINAL SPEND

2025 was the last year in a three-year start-up period. During the startup period, CalMTA was authorized to shift funding between cost categories and major activities as needed, while operating within the bounds of the total authorized budget for each program year. This flexibility has allowed CalMTA to adaptively manage spending to account for changes in strategy and timing, while allowing the team to take advantage of new opportunities, such as joint research activities, when they presented themselves. It has also allowed the team to shift funds between cost categories and/or activities when unplanned costs arose, or actual costs proved higher than forecasted.

Finances (cont.)

In 2025, examples of factors that prompted adaptations in spending (fund-shifting) included:

- The cost of supporting data requests and the Application proceeding was higher than expected, requiring a shifting of funds from the Operations and Initiative/Concept Development Cost Categories into Non-Routine Administration.
- Early in the year, a decision was made not to advance the Efficient Streetlighting MTI. Funds initially allocated to that MTI were reallocated to other initiatives, including Induction Cooking, Room Heat Pumps, and CRTUs.
- 2025 Annual Budget Advice Letter (ABAL) budget estimates were developed in the middle of 2024, prior to having completed Advancement Plans for CRAWs, Foodservice Water Heating, and Residential HPWH, and 2025 workplans for Induction Cooking and RHP. Following completion of these plans, the team developed an updated budget ([2025 Operations Plan Budget](#)) which reallocated spending between MTIs.
- Spending on modelling for the CRTUs MTI proved higher than forecasted.
- Foodservice Water Heating Systems proved to be a difficult market to engage with on market research; instead of engaging directly with market stakeholders the team pivoted to an online research firm to support recruitment and survey delivery, which increased research costs for that MTI.
- Spending on the Residential HPWH measure was higher than estimated due to additional costs associated with the Residential HPWH Market Acceleration Summit, and the addition of HPWHs to the ESRPP program to obtain sales data from major retailers.

Despite these pressures, CalMTA stayed under budget, spending 98.5% of the authorized funding while accomplishing all major operational goals.

Table 2 provides a detailed look at 2025 spending by Cost Category and Major Activity or MTI. The table provides the following information:

- Original ABAL budget estimates (developed mid-2024 and included in the 2025 ABAL filing)
- 2025 Operations Plan budget (the updated budget developed early in 2025 after Advancement Plans for CRAWs, Foodservice Water Heating, and Residential HPWH, and 2025 workplans for Induction Cooking and RHP were finalized)
- Final expenditure amounts
- Percent of the Operations Plan budget amount spent

Table 2. Summary of ABAL estimates, Operations Plan budget, and final expenditures by cost category and major activity

Cost Category/Major Activity	ABAL Budget Estimate	Ops Plan Budget	Final Spent Amount	% of Ops Plan Budget Spent
Administration	\$967,000	\$1,163,323	\$1,350,120	116%
Routine Admin	\$674,000	\$823,101	\$796,196	97%
Non-Routine Admin	\$293,000	\$340,222	\$553,924	163%
Operations	\$4,647,000	\$4,596,856	\$4,423,612	96%
Project Management	\$683,000	\$776,436	\$889,074	115%
MTAB Operations	\$351,000	\$301,000	\$264,921	88%
Policy	\$649,000	\$521,267	\$745,115	143%
Stakeholder Engagement	\$2,404,000	\$2,627,152	\$2,189,258	83%
Data Systems Development & Mgmt	\$560,000	\$371,000	\$335,243	90%
Initiative/Concept Development	\$13,986,000	\$13,839,821	\$13,535,362	98%
Phase I: Concept Development ¹	\$2,060,000	\$2,068,129	\$1,672,071	81%
Phase II: Program Development ²	\$11,926,000	\$11,771,692	\$11,863,291	101%
Totals	\$19,600,000	\$19,600,000	\$19,309,094	98.5%

¹ See Table 3 for additional details on Phase I activities

² See Table 4 for details on Phase II spending by MTI.

Table 3. Details on Phase I: Concept Development activities

Phase I: Concept Development Activity	ABAL Budget Estimates	Ops Plan Budget	Final Spent Amount	% of Ops Plan Budget Spent
Technology Scanning and Research	\$658,000	\$614,815	\$622,093	101%
Prelim. Analysis, Modeling & Forecasting	\$306,000	\$576,315	\$386,750	67%
Advancement Plan Development	\$1,096,000	\$877,000	\$663,227	76%
Totals	\$2,060,000	\$2,068,129	\$1,672,071	81%

Table 4. Details on Phase II: Program Development spending by MTI

MTIs in Phase II: Program Development	ABAL Budget Estimates	Ops Plan Budget	Final Spent Amount	% of Ops Plan Budget Spent
Induction Cooking	\$1,584,000	\$2,126,535	\$1,985,994	93%
Room Heat Pumps	\$1,132,000	\$1,352,799	\$1,454,035	107%
Commercial Rooftop Units	\$1,008,000	\$1,789,000	\$2,171,583	121%
Efficient Streetlighting ¹	\$1,495,000			
Comm. Replacement/Attachment Window	\$2,060,000	\$2,279,000	\$2,209,132	97%
Food Service Water Heating Systems	\$1,877,000	\$1,278,042	\$1,493,645	117%
Residential Heat Pump Water Heating	\$1,563,000	\$2,027,316	\$2,194,194	108%
Comm. Bldg. Efficiency Accelerator ²	\$1,207,000	\$919,000	\$354,708	39%
Totals	\$11,926,000	\$11,771,692	\$11,863,291	100.8%

¹ Efficient Streetlighting did not advance. Budget was reallocated to other initiatives

² Budgeted as "MTI#8:Batch 3 MTI" in the Advice Letter

SECTION 07

2025 Activities summary

The following list details activities outlined in the 2025 Operations Plan and subsequently completed throughout the year. The table indicates the quarter in which the activity was completed. A half-filled circle shows an activity still in progress.

Table 5. 2025 Activities Summary

	Q1	Q2	Q3	Q4
MT Idea Development				
Phase I update and idea prioritization for one to two MT ideas	●			
Kick off National Room Heat Pump Collaborative	●			
Release 2024 RFI Disposition Report		●		
Complete Strategy Pilot Assessment Reports: Chefluencer & RHPs Self-Installation Practices		●		
CRAWS field study kick-off		●		
Advancement Plans for 1-2 MT idea(s) recommended to transition to Phase II: Program Development			●	
HPWH Summit			●	
Complete Strategy Pilot Assessment Report: ESRPP			●	
Conclude window stock assessment research			●	
CRTUs interim field study report			●	
Publish CRTUs market characterization study report				●
Complete 120V induction stove data collection at Emerson Arms				●
Final CRTUs MTI Plan, including evaluation metrics, submitted to the MTAB and Commission for approval				●

	Q1	Q2	Q3	Q4
Stakeholder Engagement and Communications				
Host Equity Sounding Board meeting	●			
Publish 2024 Annual Report	●			
Conduct a survey of CalMTA stakeholders	●			
Hold quarterly update webinar	●			
Host Equity Sounding Board meeting		●		
Hold quarterly update webinar		●		
Launch redeveloped CalMTA website		●		
Hold public comment for 1-2 Advancement Plans			●	
Hold quarterly update webinar			●	
Idea to Initiative education campaign kick off			●	
Host Equity Sounding Board meeting				●
Public comment on CRTUs MTI Plan				●
Hold quarterly update webinar				●
Idea to Initiative education campaign ongoing				●

	Q1	Q2	Q3	Q4
Admin and Operations				
Develop and post initial KPI scorecard on calmta.org (program/portfolio tracking)	●			
Hold MTAB meeting	●			
Recruit for MTAB members whose two-year terms expire in April 2025	●			
Finalize Solicitation Protocols	●			
Open permanent Request for Ideas portal		●		
Hold MTAB meeting		●		
Seat new MTAB members for those whose two-year terms expired		●		
Hold MTAB meeting			●	
Issue an RFP to solicit a third-party evaluation firm to review CalMTA operational performance			●	
Finalize solicitation platform for RFP promotion and bids			●	
Anticipated approval of the Application*			◐	●
Develop 2026 Operations Plan*				◐
Issue implementation RFPs for approved MTIs (assuming Application approval)				●
Hold MTAB meeting				●

*Approval of the first tranche of MTIs by the CPUC was delayed from the anticipated third quarter to the fourth quarter, consequently delaying development of the 2026 Operations Plan.

About CalMTA

CalMTA is a program of the California Public Utilities Commission and is administered by Resource Innovations.

We work to deliver cost-effective energy efficiency and decarbonization benefits to Californians through a unique approach called market transformation. Market transformation is the strategic process of intervening in a market to create lasting change by removing market barriers or exploiting opportunities, accelerating the adoption of identified technologies or practices. CalMTA-developed market transformation initiatives also aim to advance state goals on demand flexibility, workforce development and equity.

Learn more at www.calmta.org

Photos

p. 6: courtesy of Midea, Electra

p. 7: courtesy of Gradient

p. 27: Clarissa Kusel, Let's Connect event

p. 27: Rick Olson-Huddle and Nick Fiore, CEE Industry Partners meeting

Resources

[MTAB Meetings](#)

[Webinars](#)

[MTI Development Process](#)

[MT Initiatives](#)

[MT Ideas in Development](#)

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CalMTA is a program of the [California Public Utilities Commission \(CPUC\)](#) administered by [Resource Innovations](#)