



Heating and cooling efficiency for California's commercial buildings

The Commercial Rooftop Units (CRTUs) Market Transformation Initiative (MTI)

ABOUT

The [CRTUs MTI](#) seeks to accelerate adoption of advanced heat pump RTUs with innovative features that optimize efficiency and performance but are not currently widely available – unlocking new pathways to cost-effective decarbonization in the commercial sector.

HIGHLIGHTS

- The CRTUs MTI represents a strategic opportunity to deliver significant energy benefits, including reduced commercial building energy consumption, decreased peak demand, and grid-supportive flexibility at scale.
- User-friendly technologies will enable smaller businesses to easily control and monitor their systems, maximize energy savings, and maintain optimal equipment performance—from initial installation through the full equipment lifecycle—without requiring significant capital investment.
- Strong alignment with California's building decarbonization and electrification goals will provide market partners with a unified and strategic pathway to accelerate widespread adoption of advanced heat pump RTUs.
- Leveraging existing workforce development programs and current training infrastructure to upskill the heating, ventilation, and air conditioning (HVAC) workforce will ensure proper installation, commissioning, and long-term servicing of advanced heat pump RTUs.
- Adoption of advanced heat pump RTUs will lower utility bills for tenants and building owners while improving affordability for all ratepayers by reducing the need for costly new transmission and distribution infrastructure.



VALUE

The CRTUs MTI is expected to cost \$42.9 million and **will deliver a forecasted Total System Benefit (TSB) of \$684 million** to California through 2046. This MTI is projected to be cost-effective — its Total Resource Cost (TRC) of 2.65 means that for every dollar spent on the program, \$2.65 in energy system benefits is delivered.

EQUITY

The CRTUs MTI recognizes that environmental & social justice (ESJ) communities are disproportionately impacted by the upfront costs, complexity, and installation quality of HVAC replacements.

The initiative seeks to embed equity into both product design and market delivery by focusing on cost-neutral design and standardizing affordable product tiers that include connected controls and commissioning (CCC). Improving affordability and availability will expand access to CRTU technology that lowers operating costs, enhances building performance, and strengthens climate resiliency across ESJ communities. Key interventions to support equitable participation include:

- Siting in-field demonstration projects in ESJ communities to document savings, inform business case development for contractors, and identify equity-specific adoption barriers
- Developing inclusive training and outreach materials that improve accessibility for contractors serving ESJ communities and address diverse language, literacy, and technology needs
- Building a skilled, trusted workforce equipped to serve ESJ communities without the cost premiums that are often experienced in rural areas or disadvantaged communities (DACs).



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.



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

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