



# 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:

- Influencing HPWH product development to match California's needs and housing stock through coordination with manufacturers and energy efficiency program partners in order to create a greater diversity in products and see greater installer and retail channel support.
- 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 million** and will deliver a forecasted Total System Benefit (TSB) of **\$619 million** to California through 2047. This MTI is projected to be cost-effective — its Total Resource Cost (TRC) of **1.67** means that for every dollar spent on the program, **\$1.67** in energy system benefits is delivered.

## EQUITY

The Residential HPWH MTI aims to increase adoption of HPWHs in environmental and social justice (ESJ) communities by addressing the stacked barriers that many ESJ households face including upfront costs, installation complexity, uncertainty about bill impacts, language and trust gaps, and uneven installer availability. These barriers will be addressed through the following interventions:

- Aggregating demand in ESJ communities to lower upfront costs and make HPWHs more widely accessible for all Californians, with segmentation that specifically targets rural and low-income housing stock
- Working with manufacturers, installers, program implementers, and trusted community-based organizations to influence development of form factors that make HPWH technology more accessible to more households
- Leveraging trusted community partners and equity-focused programs to deliver multilingual, culturally relevant outreach and installation support
- Coordinating with the retail channel to provide multilingual information, product fit guidance, and referrals for lower-cost, do-it-yourself installations



## 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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