Efficient Heating and Cooling for All Californians

The Room Heat Pumps Market Transformation Initiative (MTI)

ABOUT

The Room Heat Pumps MTI will accelerate market adoption of this technology, which provides both heating and cooling for small single-family and multifamily households. Room heat pumps provide efficient heating and cooling, performing the same functions as room heaters or window/room air conditioners, and can be self-installed in standard wall outlets without a panel or service upgrade. The Room Heat Pumps MTI is scheduled to launch in the market in 2026, with an approved budget of $41 million over a five-year period.

HIGHLIGHTS

The technology fills a critical heat pump product gap to help California reach its goal of six million heat pumps installed by 2030, due in part to the following factors:



- These 120V products mitigate electrical infrastructure challenges, especially for multifamily properties.
- Because they do not require professional installation or system upgrades, they are an affordable heat pump option for tenants and smaller single-family and multifamily households compared to mini-split and other HVAC systems.
- The MTI leverages and builds upon new market entrants and national momentum, enabling rapid deployment and scalability.
- Product enhancements targeted through the MTI's manufacturer engagement could provide additional benefits, such as air filtration, use of lower-global warming potential (GWP) refrigerants, and demand response capability.

VALUE

The Room Heat Pumps MTI is expected to cost $62.8 million and **will deliver a forecasted Total System Benefit (TSB) of $479 million** to California through 2045. This means that for every dollar invested in the initiative, California will receive approximately $8 worth of energy savings, greenhouse gas reductions, and electric grid benefits.

EQUITY

- These products will strengthen energy efficiency, weatherization, and climate resilience programs, particularly those benefiting environmental and social justice (ESJ) communities.
- In addition to filling a technology gap for renters and cost-constrained consumers, room heat pumps can eliminate the need to run inefficient devices like electric resistance heaters, which drive up electrical bills.
- Incenting retailers to stock and market more affordable models makes the technology more accessible. The future inclusion of air filtration capabilities will help improve indoor air quality (IAQ), which will especially benefit areas with poor environmental health.

Read the Room Heat Pumps MTI Plan



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.

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