



## Status Update:

### Geographic Targeting Using ESRPP for Room Heat Pumps and Induction Cooking Strategy Pilot

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## Introduction

CalMTA's exploration of the Room Heat Pumps market transformation idea (MTI), formerly known as the Portable/Window Heat Pump MTI, and the Induction Cooking MTI identified engaging retailers to stock and promote these targeted technologies as a key intervention point for influencing consumer adoption. The Geographic Targeting Using ESRPP for Room Heat Pumps and Induction Cooking Program Strategy Pilot was developed to help determine whether the ENERGY STAR® Retail Products Platform (ESRPP) could serve as a viable intervention strategy for targeting environmental and social justice (ESJ) communities once the MTIs move into market deployment.

This Strategy Pilot, designed to inform the development of full MTI Plans and future interventions, is ongoing. A full assessment report on the outcomes, findings, and recommendations will be publicly available in mid-2025 and shared through CalMTA's regular news updates. In the meantime, this memo serves to provide a summary of the work undertaken and a status of progress. For the full scope of work for this effort, visit [the CalMTA website](#).

## Background

ESRPP is a national collaborative initiative comprised of ENERGY STAR®, energy efficiency program sponsors, retailers (e.g., The Home Depot, Lowe's, Best Buy, and independent stores through the Nationwide Marketing Group), and other key stakeholders. The Strategy Pilot developed by CalMTA seeks to build on ESRPP's existing functionalities in California to gather statewide data and test the feasibility of encouraging retailers, through enhanced incentives, to stock and promote lower-priced products in zip codes identified as ESJ communities.

Should Strategy Pilot results indicate that this intervention strategy is both feasible and effective, the approach could be used across California through the deployment of a CalMTA-developed MTI or MTIs, offering midstream incentives to influence stores in ESJ communities to stock and promote more affordable products. In addition, if the Strategy Pilot is successful, ESRPP partners in other parts of the country are interested in applying this approach.

### Strategy Pilot objectives

As designed by CalMTA, the Geographic Targeting Using ESRPP for Portable/Window Heat Pumps and Induction Cooking Program Strategy Pilot targets the following objectives:

1. **Learn how ESRPP can be adapted to target identified zip codes that primarily serve ESJ communities.** Typically, national retailers have very limited product variation across territories: store inventory in one neighborhood is often very similar to inventory in any other. This premise informs the standard ESRPP incentive approach, with the same incentive level offered to retail partners regardless of store location.

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- 2. Gather full product category sales data.** ESRPP’s ability to provide full category sales data on all portable/window heat pumps, air conditioning (AC)-only units, and induction cooking products sold at participating retail locations will assist CalMTA in developing baseline estimates for the two target MT ideas. This data will also provide valuable insight into consumer purchasing decisions in areas where traditional sales data can be harder to obtain, such as the rural communities served by many ESRPP retail partners.

While CalMTA’s original plan for the Strategy Pilot included holding in-store AC turn-in events as a third objective, this portion of the pilot was ultimately removed from the scope after participating retailers communicated that they were unable to have room heat pumps available in time for a summer event. As an emerging technology, room heat pumps are not currently readily available in stores. CalMTA will continue to monitor the market to identify optimal timing for revisiting this pilot component, potentially in [Phase III: Market Deployment](#). All changes in Strategy Pilot scope were, and will continue to be, shared with CalMTA’s Market Transformation Advisory Board (MTAB) to ensure support and alignment.

### Evaluation objectives and implementation steps

Final evaluation findings are currently under development to be delivered by mid-2025. The subsequent report will seek to answer research questions using the metrics described below in alignment with the Strategy Pilot evaluation approach.

**Table 1. Evaluation research objectives**

Strategy Pilot objectives	Evaluation research objectives or metrics
1. Learn how ESRPP can be adapted to target identified zip codes that primarily serve ESJ communities	<ul style="list-style-type: none"> <li>• Document changes to stocking and promotional practices for selected products at participating stores</li> <li>• Identify available local and IRA incentives for selected products and assess purchaser awareness of them</li> <li>• Capture lessons learned from manufacturer and retailer engagement that can be applied to future MTI interventions, particularly surrounding product improvements and/or affordability</li> </ul>
2. Gather full product category sales data	<ul style="list-style-type: none"> <li>• Calculate baseline market share of selected products at participating stores and measure change after participation</li> </ul>

Evaluation activities being conducted before, during, and after the Strategy Pilot to support the evaluation objectives in Table 1 include:

- Interviews with participating retailers (store/branch managers or regional execs)
- Analysis of sales data from participating stores
- Interim analysis of retailer data

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Findings will be shared via a public webinar, to which CalMTA will invite key stakeholders such as the Market Transformation Advisory Board (MTAB), California Public Utilities Commission (CPUC), Program Administrators (PAs), and community-based organizations.

## Status of activities

The [Strategy Pilot statement of work](#) describes activities and specific deliverables, which officially kicked off in April 2024 and are ongoing. CalMTA provides a summary of those activities and the status as of November 2024 in the sections below.

### Data collection

By May 2024, CalMTA had secured participation agreements with The Home Depot, Best Buy, Lowe’s, and Nationwide. These agreements require retailers to provide CalMTA with full category sales data for all participating stores in the identified service territories, including historical data, and to make commercially reasonable efforts to sell qualifying products through participating stores in targeted zip codes. CalMTA identified target zip codes by applying three screening criteria: (1) a CalEnviroScreen score higher than the county weighted average, (2) a higher than average (weighted) percentage of households below the Area Median Income (AMI), and (3) a higher percentage of homeowners than the county weighted average, a qualifier selected to target households with greater decision-making power for appliance purchases. Zip codes in the surrounding area that did not meet these criteria were included as a control group. Table 2 shows the number of participating stores by ESRPP retailer and location in an identified ESJ community:

**Table 2. Strategy pilot stores by retailer and segment**

	<b>The Home Depot</b>	<b>Best Buy</b>	<b>Lowe’s</b>	<b>Nationwide</b>
ESJ community zip code	88	33	32	36
Non-ESJ community zip code	132	104	75	167

The process of beginning to receive data proved more challenging than anticipated, as many retailers did not have data in the requested format readily available to share and the process of delivering qualified data was more complicated than envisioned. Further complications were created by the addition of the manufacturer's suggested retail price (MSRP) to data collection activities in the strategy pilot design, which was new for retailers and resulted in delays. CalMTA will receive total category sales data for both MTI technology focus areas, including historical data, but the timeline for receipt of this data is not yet known. Continuing the pilot into 2025 will allow CalMTA to begin answering the questions posed in our Strategy Pilot research objectives and influence our desired market action.

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### Data analysis

CalMTA is currently waiting on the following updates to data in the ESRPP portal before performing the analyses required to evaluate how the pilot is performing with respect to established goals:

Baseline sales data for qualified and non-qualified products for all months and all retailers before pilot implementation commenced in May 2024 (historical data). See Table 3 for an inventory of data currently available by month for each appliance and qualification type.

Sales data for slide-in style cooktops from The Home Depot.

Data received as of the cut-off date for this memo is presented in Table 3. As of November 2024, a complete set of data from September 2024 has not yet been received.

*Note: Because room heat pumps are not yet available in participating retail locations, CalMTA used ENERGY STAR certified AC units as a proxy.*

**Table 3. Sales data currently in ESRPP portal by month, qualifying status, and appliance type**

Year	Month(s)	Qualified Sales by Model	Non-Qualified and Qualified Sales by Model
2023	May - December	AC units; cooktops and ranges	None
2024	January - May	AC units; cooktops and ranges	Cooktops and ranges
2024	June - August	AC units; cooktops and ranges	AC units; cooktops and ranges

### Next steps

This pilot will continue into 2025 with a focus on collecting retailer data for qualified cooktops and ranges and room heat pumps, which we anticipate will be in stock at participating retail locations. CalMTA will continue to gather statewide data and test the feasibility of proposed interventions designed to encourage retailers to stock and promote more affordable products in identified ESJ communities by zip code.

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