

# California Heat Pump Partnership Blueprint

Scaling California's Heat Pump Market: The Path to Six Million



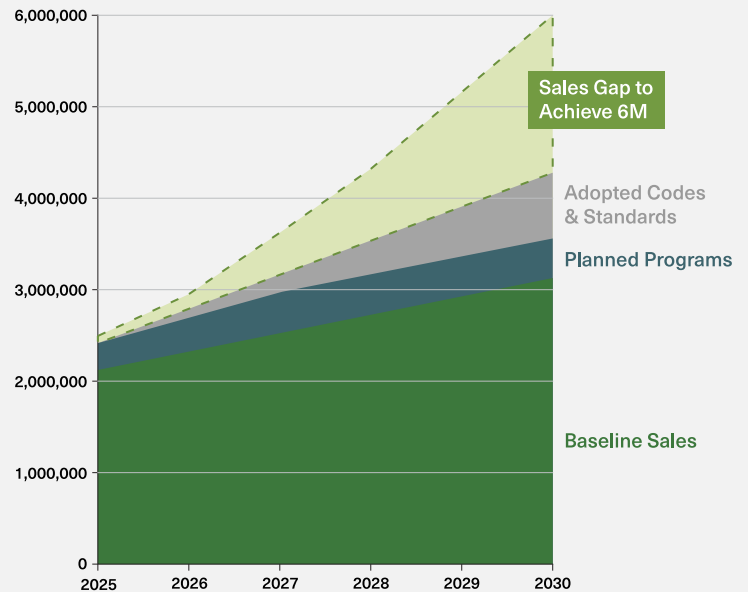
## Strong Momentum, but a Gap Remains

California has committed to a clean energy future for all through groundbreaking building decarbonization efforts, including Governor Newsom's goal to install 6 million heat pumps throughout the state by 2030.

As of the end of 2024, 1.9 million heat pump units were installed statewide. **At the current rate of heat pump adoption, the state is projected to reach only 4 million heat pumps by 2030, falling 2 million units short of the state's 6 million heat pump target.**

To address this gap, the state convened the nation's first Public-Private partnership to accelerate heat pump deployment, the California Heat Pump Partnership (CAHPP). The CAHPP brings together state policy leaders, manufacturers, retailers, distributors, utilities, and other key market stakeholders to expand California's heat pump market and ensure the state meets its 2030 target.

## Projected California Heat Pump Installs by 2030



## Major Barriers to Mass Heat Pump Adoption

The CAHPP identified several barriers to scaling adoption and meeting the state's goal.

### Relative Costs

Upfront installation costs

Operating costs

### Transaction Friction

Complex incentive program design

Lack of consistent incentive funding

Complicated permitting processes

### Market Maturity

Low customer awareness and demand

Contractor reluctance to prioritize heat pumps

Shortage of trained installers

### Market Visibility

Limited data availability to inform policy and market efforts

Read the full report here:

[heatpumppartnership.org/blueprint](https://heatpumppartnership.org/blueprint)



## Strategies to Reach Six Million Heat Pumps

The CAHPP has identified these near-term actions to address major barriers and catalyze growth.

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### Improve Customer Economics

- 1 Support long-term incentives to provide market certainty.
- 2 Continue supporting electrification-friendly rates, prioritizing cost-saving opportunities for customers.
- 3 Direct 50% of program funds to low-income and disadvantaged communities, ensuring all Californians are included in the heat pump transition.
- 4 Expand low-cost appliance financing options, such as low-interest loans or innovative financing programs.
- 5 Target near-term, high value opportunities for appliance retrofits, especially AC replacements in warm climates and water heater retrofits in regions with forthcoming appliance standards.

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### Streamline Sales and Installation Processes

- 6 Modernize local heat pump permitting processes, particularly at time of issuance, inspection, and close.
- 7 Simplify incentive program design to ease customer accessibility.

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### Accelerate Market Adoption

- 8 Supercharge heat pump marketing efforts, with a two-pronged focus on consumers and contractors.
- 9 Develop a comprehensive workforce engagement campaign to address gaps, provide essential training and sales tools, and position contractors as key advocates for heat pump adoption.
- 10 Launch a Heat Pump Week, including training and educational events for consumers and contractors, as well as partner promotions and rebates.

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### Increase Market Visibility

- 11 Collect and leverage heat pump adoption data to track progress toward state goals and inform future actions.

## Beyond Six Million: Supporting Long-Term Decarbonization

Looking ahead, the CAHPP will continue to align strategies with the state's long-term decarbonization objectives including those related to equity and affordability, load flexibility and grid planning, technology innovation, and targeted electrification. Through these coordinated efforts, the CAHPP will support meeting the six million heat pump target and lay the groundwork for a carbon-neutral future in California.

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