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Daikin Comments-CEC RFI for Energy Data Collection Phase 3

Additional submitted attachment is included below.



DAIKIN U.S. CORPORATION
1700 PENNSYLVANIA AVE. STE 550,
WASHINGTON, DC 20006
PHONE: (202) 383-8740

August 18, 2025

Mr. David Hochschild, Chair
Dr. Andrew McAllister, Commissioner
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket 24-OIR-03

Dear Chairman Hochschild and Commissioner McAllister-

Daikin U.S. Corporation ("Daikin") appreciates the opportunity to provide comments for consideration by the California Energy Commission ("CEC" or the "Commission") in response to the Request for Information (RFI) on energy data collection phase 3 – space conditioning and water heating equipment data tracking. Heat pumps play vital role in two key California policy priorities: (1) reducing the carbon footprint of our buildings as the State moves to transition to cleaner technologies for heating and water heating; and ii) helping to manage the integration of increasing amounts of renewable energy and the load on the grid as variable-capacity heat pumps can help support load management programs. The Commission's expeditious advancement of policies and programs that support accelerated heat pump deployment will ensure California's progress in meeting its climate and energy goals.

About Daikin

Daikin U.S. Corporation is a subsidiary of Daikin Industries, Ltd., the world's largest air conditioning equipment manufacturer. Daikin's main U.S. business units - Daikin Comfort Technologies North America, Daikin Applied Americas, American Air Filter, Daikin America - are guided by four core pillars - Sustainability, Innovation, Comfort for All, and Community. For decades Daikin has strategically focused on local manufacturing and supply chains to cater to specific regional needs and maintain the flexibility, resilience and speed required to deliver the highest possible standards. The United States is no exception. Through strategic investment, technological innovation, community engagement, and environmental stewardship, Daikin continues to demonstrate that world-class energy efficient solutions can be designed, engineered and assembled in America, for Americans.



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Daikin's Commitment to California and to High-Efficiency Heat Pump Deployment

In May of 2024, Daikin, as a key member of California's Heat Pump Partnership, announced five commitments as part of the company's pledge to significantly increase the supply of heat pumps in California. These commitments – including Daikin forging a path to produce one million heat pumps – will help enable the state to achieve its goal of deploying six million heat pumps by 2030.

While Daikin remains committed to helping the Commission and the state of California meet this ambitious heat pump deployment goal by 2030, the Commission along with other California policymakers must ensure all policies and programs put in place support rapid heat pump deployment and reduce barriers on manufacturers, distributors, contractors, and California households. Daikin would like to take this opportunity to remind the Commission about the advantages of inverter technologies in heat pumps that produce long-term consumer savings and encourage the Commission to remove the existing EER barrier resulting from the cross-references in the Equitable Building Decarbonization Program to the ENERGY STAR non-cold climate requirements in most regions within the state, which are currently hindering deployment. To facilitate, Daikin strongly recommends revising the Equitable Building Decarbonization Program to allow ENERGY STAR non-cold climate and cold-climate heat pumps to be installed throughout the state without regional limitation because Daikin believes the homeowner and contractor are best situated to identify the best heat pump to meet a given household's needs at the point of installation.

Data Collection and Heat Pump Tracking

A key to ensuring California meets or exceeds its heat pump deployment goal by 2030 is accurate tracking of new heat pump installations. As such, Daikin is generally supportive of the California Energy Commission collecting high-level installation data as a long-term mechanism of tracking. The best way to enable installation-level tracking is by modernizing and streamlining California's permitting system. Daikin notes that the Air Conditioning, Heating, and Refrigeration Institute (AHRI) has previously recommended the state implement and streamline an online permitting system used throughout the State by localities, which could be used as a longer-term data tool for heat pump deployment tracking. Daikin continually hears from the field that the time, resources, and costs associated with pulling permits within the State are unsustainable and are obstacles to increased heat pump deployment within the state. The Commission should work with localities throughout the State to develop a user-friendly online permitting system to help alleviate these current obstacles and reduce burdens on contractors.

At the same time, Daikin acknowledges that building a streamlined, online permitting system will take a significant amount of time to develop and looks at such a system as a long-term solution. With 2030 only 5 years away, California policymakers need a near-term solution to



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WASHINGTON, DC 20006
PHONE: (202) 383-8740

understand California's progress toward meeting its 6 million heat pump deployment goal. Daikin believes that manufacturer shipments to California on a quarterly basis can serve as a near-term proxy providing a good sign of volumes and trends to policy makers within the state. Daikin further recommends that California works with AHRI obtaining California shipments information for those manufacturers that choose to have AHRI submit on their behalf. A manufacturer should also be allowed to send California shipments to CEC directly should it choose to do so. Manufacturer shipments should include a breakdown of residential and commercial (less than 65 kBtu/h and greater than or equal to 65 kBtu/h) and broad-based categories (i.e., compressor bearing units for ACs and HPs as well as combustion-based heating equipment). While California shipments data has shortcomings, it is the best near-term proxy to allow the state to understand how it is currently situated. If the State finds itself behind in meeting its heat pump deployment goals, it's imperative that California policymakers work with manufacturers directly on policy and programmatic changes that can accelerate deployment and spur the market.

Specific Questions for which the Commission Sought Comment

While Daikin has outlined the two key aspects of a data collection effort by the Commission above, Daikin is pleased to offer more specific feedback to the Commission's questions in the RFI. In sum, Daikin does not believe the Commission should execute many of the ideas in the original request for information because they are redundant, inaccurate, or overly burdensome and will simply create added obstacles to deploying energy-efficient heat pumps across the California market. Daikin strongly believes that the Commission should focus its resources on investing in the longer-term, streamlined, online permitting system that all jurisdictions in California can use and will ultimately be the most accurate way of obtaining installation-specific information within the state.

1. The most important part of the supply chain to capture data on installations of heat pumps within California are the contractors. However, a mechanism does not exist currently to collect data easily from contractors and any attempt to do so with the current state will only add burden and half very mixed responses. See above recommendations about developing an online permitting system and near-term collection of manufacturers' shipments. Daikin does not believe collection of information from distributors will be fruitful.
2. No, Daikin does not believe data should be reported from more than one step of the supply chain because it is redundant. Manufacturer shipments to the state should be a good near-term proxy.
3. Quarterly manufacturer shipments to California should be sufficient for the Commission to understand trends and volumes.
4. Daikin believes it is infeasible to send disaggregated equipment information including efficiencies, model numbers, serial numbers, capacities, specific equipment types other



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PHONE: (202) 383-8740

than broad categories as suggested above, etc. Disaggregated equipment information can reveal sensitive sales information that companies treat as confidential business information.

5. Daikin believes the most accurate information is the installation data if a streamlined, permitting system with electronic access that all jurisdictions in California have access to and are able to use was available. However, manufacturing shipments data to the State is a decent proxy to inform forecasting, policy, and programmatic efforts. Distribution center location can vary widely across the state and by manufacturer and provides no additional information for policy makers to consider as compared to manufacturer California shipment data.
6. There would be significant resources and costs associated with non-electronic reporting at all levels of the distribution chain. If Daikin (or AHRI on Daikin's behalf) were aggregating quarterly shipments data for submission to California electronically, then Daikin believes assembling this data is feasible. Daikin does not recommend that California consider moving forward with data collection from all parts of the distribution chain due to lack of electronic systems to facilitate collection, redundant and likely inconsistent reporting, and the likelihood that increased data collection will lead to a slowdown in deployment as resources get diverted from sales and marketing to deal with reporting burdens.
7. If the data isn't disaggregated by equipment type and equipment characteristics, then Daikin believes certain sizes do not need to be excluded from reporting.
8. Daikin is not aware of any other governmental entities that collect data about heat pump installations to the State of California.
9. See above answer to #5. Daikin does not believe data should be reported in a detailed manner, but instead it should be grouped at a high level.
10. Daikin does not believe that information about a specific purchaser is necessary for the Commission to understand the state of heat pump deployment in the state. Daikin does not believe household or purchaser information should be collected. Instead, the Commission should simply be looking at California shipments in the near-term and confirmation of a new heat pump being installed in the long-term when an online, electronic permitting system is established along with streamlined permitting processes across all California jurisdictions.
11. Daikin believes disclosure about when the equipment was delivered does not need to be collected by the Commission. Daikin does not understand why the Commission seeks to understand information about heat pump delivery date. For starters, heat pump shipments to California can serve as a significant resource to inform whether current policies and programs have laid the groundwork to support heat pump deployment at levels needed to



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PHONE: (202) 383-8740

meet the goal. If such policies and programs are proving to be unsuccessful, this data will allow California policymakers insight into the trends over the past year, which will be indicative of what may be needed from the California Heat Pump Partnership for all of us to be successful.

12. Refrigerant information about specific heat pumps should not be reported because it may reveal sensitive sales information depending on business decisions different manufacturers have made about their product offerings.

Executing on the above interim and long-term tracking methods of California heat pump installations requires collective efforts of the key stakeholders from contractors to OEMs to the Commission. Daikin strongly believes California must remain nimble as it looks to assess the success of its policies and program and implement Daikin's recommended two-step strategy for data collection in a manner that does not introduce burden, confusion, or obstacles along the supply chain. Daikin reiterates its partnership commitment and stands ready to work with the Commission and the state to help support successful deployment of 6 million heat pumps.

Thank you for the continued partnership and consideration of our recommendations above.

Sincerely,

A handwritten signature in dark ink that reads "David B. Calabrese". The signature is fluid and cursive, with the first letters of each word being capitalized.

David B. Calabrese
Executive Vice President, Government Affairs
Deputy General Manager, Washington, D.C. Office
Daikin U.S. Corporation
E-Mail: david.calabrese@daikin.us