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Docket # 24-OIR-03 Comment - Geary Pacific Supply

Additional submitted attachment is included below.

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California Energy Commission
Docket Unit
715 P Street
Sacramento, CA 95814

August 18, 2025

RE: Docket 24-OIR-03; Energy Data Collection – Phase 3

Dear Chairman Hochschild,

I appreciate the opportunity to provide my comments regarding the California Energy Commission's (CEC) request for information (RFI) regarding Energy Data Collection. This initiative, if implemented, would directly impact my business in a negative way.

My name is Layne Miller, I am the CEO and 2nd generation owner of Geary Pacific Supply, a wholesale distributor of heating, ventilating, and air conditioning, HVAC, equipment, installation supplies, and service parts and controls. We are headquartered in Anaheim California with 14 locations spread from Redding, CA to the North to San Diego, CA to the South. We serve thousands of residential and light commercial HVAC Contractors with everything they need to repair, replace, and install new HVAC Systems.

Below are the RFI questions with answers providing Geary Pacific Supply's perspective for this concept.

1. Which steps of the supply chain are most/least appropriate for reporting of accurate equipment data, and why?

I respectfully submit that it is inappropriate to require any entity within the HVAC supply chain to report proprietary business information due to the significant risk that such data could be accessed or disclosed to competitors, the broader industry, or the public. Disclosure of this information could result in irreparable harm to individual businesses and the competitive landscape as a whole.

California has a well-documented history of data management challenges, raising serious concerns about the State's ability to protect sensitive business data. Any data breach or unauthorized disclosure could expose the State to substantial legal liability and undermine trust between government agencies and private industry.

It is also critical to acknowledge the operational realities of the HVAC supply chain. The typical flow of products is as follows:

1. Manufacturer ships product to a Distributor at a specific location.
2. Distributors may move product across multiple locations—including out of state—before ultimately selling it to a Contractor.

The Contractor installs the product for the end user, typically a homeowner or building owner.

At no point in this process does the manufacturer or distributor receive information about the final installation location. Contractors are not required to report installation addresses to distributors, and manufacturers generally receive no information from homeowners unless a warranty claim is submitted which, in California, does not require product registration to be valid.

As such, manufacturers and distributors do not have visibility into installation location information, building permit details, or contractor sales beyond the initial point of sale. Any proposed reporting requirement that assumes the availability of this information from upstream entities is fundamentally flawed.

We urge regulators to reconsider any proposal that mandates the collection or disclosure of proprietary supply chain data, particularly when it is not currently tracked or shared in the normal course of business and carries a high risk of exposure.

2. Should data be reported from more than one step of the supply chain? Why or why not?

We strongly oppose any proposal requiring product sales data reporting by entities within the HVAC supply chain. As outlined previously, there are multiple concerns both practical and policy-related that make such requirements ineffective and burdensome.

All the relevant information you are seeking, model and serial number, installation location and date, warranty details, and more is already available through the local installation permit process. However, the more fundamental issue is that a significant percentage of HVAC replacements in California are completed without permits. This is the real problem that needs to be addressed.

Attempting to compensate for permit deficiencies by collecting sales or installation data from distributors, manufacturers, or other supply chain participants is not a viable solution. The notion that this fragmented data can be merged into a comprehensive, accurate, and actionable database is unrealistic. Redundant data collection across multiple entities will inevitably result in inconsistent, incomplete, or conflicting records compromising data integrity rather than improving it.

Furthermore, such reporting raises legitimate concerns about the protection of proprietary business information and imposes unnecessary administrative burdens on private companies. Mandating data submission from multiple supply chain participants could inadvertently expose sensitive sales data, while still failing to resolve the underlying issue which is widespread non-compliance with permit requirements.

If the objective is to improve oversight and accountability in HVAC system replacements, the most effective path forward is to identify and correct the reasons why contractors are not obtaining permits; like streamlining the permitting process and making it standard across all municipalities.

We urge you to reconsider any proposed reporting mandates and instead focus your efforts on solving the root problem: low permitting rates for HVAC replacements in California.

3. How often should data be reported? Should reported data be more granular than the frequency of reporting (e.g., a quarterly report that includes monthly sales figures)?

We strongly oppose any requirement for entities within the HVAC supply chain to report data at any time or interval. The information being sought such as equipment details, installation dates, and locations is already available through building permits filed with local municipalities across the State of California.

Imposing additional reporting obligations on manufacturers, distributors, or contractors will require those businesses to implement new systems to collect, manage, and report this data. This represents a significant increase in administrative overhead, compliance costs, and operational complexity, particularly for small and medium-sized businesses.

Those added costs will not be absorbed at the top of the supply chain. Instead, they will be passed along, layer by layer, until they ultimately reach the consumer. By the time these compliance-related expenses are fully incorporated into product pricing, they will represent a substantial increase in costs to homeowners and businesses. More importantly, that cost increase will not result in better heating, cooling, or energy savings, only in more bureaucracy.

In short, this type of reporting requirement will increase costs without delivering any direct benefits to consumers or the environment. It creates inefficiency and added administrative burdens where a simpler, existing mechanism, permit data, already contains the information the CEC is seeking.

We urge decision-makers to abandon any effort to impose supply chain reporting mandates and instead focus on improving compliance with existing permit requirements, which is the most logical and effective way to achieve the stated goals.

4. What types of information are infeasible to report on?

I wish to express serious concerns regarding any proposal that would impose additional reporting requirements on any entities within the HVAC supply chain. It is my firm belief that no entity, whether manufacturer, distributor, or contractor, should be required to report data beyond what is already available through properly filed building permits. Rather than layering new compliance burdens on essential businesses, California would benefit far more from improving and streamlining its existing permit system across all jurisdictions.

If any reporting mandate is pursued, the scope of required data should not exceed what is already submitted by contractors as part of the permit process. It is important to recognize that manufacturers and distributors simply do not possess the level of information being sought. The HVAC supply chain functions by sharing only the information necessary for sales transactions. Manufacturers have no visibility into the final destination or installation details of equipment once delivered to distributors. Similarly, distributors only maintain records of their direct sales to contractors—not the equipment's ultimate use or installation location. Only the contractor has all the installation details, and that information is already captured through the permit process.

Based on the recent Request for Information (RFI), it is evident that the California Energy Commission (CEC) is exploring the development of a comprehensive customer database spanning the entire supply chain through to the end consumer. The intended use appears to be to cross reference this data with permit records to enforce contractor permitting compliance. This raises serious privacy and business concerns.

Furthermore, California's track record on data security raises serious concerns about the state's ability to responsibly manage sensitive business information. The risks associated with building and maintaining a centralized database containing confidential business information, such as customer lists, sales records, and market share data. If this type of information were to fall into the hands of competitors or become part of a future data breach the damage to individual businesses could be irreversible, potentially leading to business closures and job losses.

In addition, it must be noted that the CEC is not a permitting agency and lacks the statutory authority to establish reporting requirements under the guise of permit compliance enforcement. The underlying objective of this RFI appears to be the creation of a centralized and invasive compliance monitoring system, something that is outside the CEC's regulatory jurisdiction and would impose substantial and unnecessary burdens on private businesses.

The real solution lies not in new mandates, but in supporting California's municipalities in the development of a modern, consistent, and easily accessible permit system statewide. A centralized, streamlined approach to permit filing and tracking would achieve the State's compliance goals without exposing businesses to data privacy risks or increasing consumer costs through regulatory overhead.

For these reasons, I urge the CEC to abandon any efforts to require supply chain data reporting and instead focus on addressing the root issue: inconsistent and inefficient permitting processes across the state.

5. How geographically accurate will the reported location of delivery be to its final installed location? Is there a category of geographic information, such as zip code or county, that would best or most accurately inform forecasting, policy and program efforts?

If a reporting mandate is established for the supply chain, the accuracy of the geographic information collected, particularly regarding the final installation location, will be fundamentally flawed. This is due to the inherent structure and limitations of how information flows through the supply chain.

Manufacturers and distributors typically do not know where equipment is ultimately installed. Each participant in the supply chain only retains and shares information necessary to complete a sales transaction. For example, manufacturers may deliver equipment to a distributor's regional warehouse, but they are not privy to the distributor’s internal logistics or subsequent sales. Similarly, distributors can only track deliveries to contractors without knowing where or how the equipment will ultimately be used.

Only contractors at the final step of the chain have the ability to accurately identify where specific equipment was installed. However, this information is already provided to the state through the existing permitting process, which ensures that California has access to precise installation data without imposing redundant or invasive reporting requirements upstream in the supply chain.

Forcing manufacturers and distributors to report detailed transactional and customer information would not only impose a significant administrative burden but would also result in data that is incomplete and potentially misleading. Consider these common scenarios:

- A manufacturer reports a sale to a California-based distributor, but the equipment is later shipped to one of the distributor’s other locations outside of California.
- Conversely, a manufacturer sale is reported to an out-of-state distributor, but the product is ultimately brought into California for installation.

In both cases, the reported data fails to reflect the true final location of the equipment. As a result, any regulatory decisions or enforcement actions based on such data would be based on unreliable and inaccurate conclusions.

Moreover, requiring contractors to report detailed customer data raises serious privacy and competitive concerns. Contractors are often small businesses whose customer lists represent critical business intelligence. Forcing them to disclose sensitive client information into a centralized reporting system would risk exposing proprietary data, undermining business viability, and creating opportunities for competitive misuse. Such a database could inadvertently compromise the confidentiality and security of businesses operating in good faith.

In summary, the final point of installation, and therefore the most accurate data, is already captured by the existing permitting process. Extending reporting mandates further up the supply chain would compromise data quality, burden businesses with unnecessary and invasive requirements, and introduce significant risks to proprietary and private information. Any new policy must take these operational realities and legal boundaries into account.

6. What cost impacts are incurred by reporting sales and distribution information consistent with a potential reporting requirement? What are the different electronic reporting capabilities of stakeholders at different points of the supply chain?

If a reporting mandate is established for the HVAC supply chain, I believe that any level of required reporting whether from manufacturers, distributors, or contractors will impose significant administrative and financial burdens on all parties involved.

Most HVAC businesses operate within extremely tight margins and must maintain lean operations in order to remain competitive. Introducing a compliance requirement of this nature would almost certainly force companies to hire additional personnel or invest in new systems and software to collect, manage, and report the required data. These are not incidental costs, they represent a meaningful financial strain, particularly for small and mid-sized businesses that make up a large portion of the HVAC industry.

Ultimately, these increased costs will be passed along the supply chain. From manufacturer to distributor to contractor, each step will adjust pricing to offset the burden, resulting in higher equipment costs for the consumer. This added expense offers no direct benefit to consumers, and no clear environmental or efficiency outcome to justify it.

In short, while data collection may appear beneficial in theory, in practice it imposes unnecessary overhead and cost increases that strain businesses and raise prices for consumers, all without guaranteeing meaningful gains in policy effectiveness or environmental impact.

7. Should businesses below a certain size threshold be excluded from data reporting requirements? If so, what should the size threshold be and why is it appropriate?

The level of technology used by HVAC distributors to track sales and inventory varies widely across the industry. While some larger distributors have invested in sophisticated Enterprise Resource Planning (ERP) systems that can automate aspects of reporting, many smaller, privately held businesses, some operating from a single location, still rely on outdated or manual processes, including handwritten records. For these businesses, compliance with an electronic reporting requirement would be financially and logistically burdensome.

Even among businesses that do utilize ERP systems, whether manufacturers, distributors, or contractors, there is no standard platform. These systems range from off-the-shelf commercial products to heavily customized solutions tailored to specific operations. Implementing a uniform reporting mandate across such a fragmented technological landscape would require extensive customization, technical development, and staff training, each of which imposes significant costs.

These added compliance burdens would impact businesses of all sizes. Increased operational expenses would inevitably lead to price increases on HVAC equipment throughout the supply chain, ultimately raising costs for consumers. Importantly, these costs would not correspond with any measurable improvements in system performance, energy efficiency, or permit compliance.

Given the diversity of system capabilities, the cost of compliance, and the lack of added value, I believe that businesses, regardless of size or technological sophistication, should be exempt from any mandatory supply chain reporting requirements. Not only are such mandates impractical, and inequitable, but they are also unnecessary, as much of the relevant data is already collected through the existing building permitting process.

In conclusion, the proposed supply chain reporting requirements would impose unjustified burdens on businesses, increase costs for consumers, and fail to produce meaningful benefits. I strongly urge the California Energy Commission to reject any reporting mandate for the HVAC supply chain and instead prioritize improvements to California's permitting infrastructure, which remains inconsistent and inefficient across jurisdictions.

8. Who else collects this data? In particular, are there other governmental entities (i.e., federal, state, or local agencies) that require reporting of sales and distribution data?

We strongly oppose any requirement for entities within the HVAC supply chain to report data at any time or interval. The types of information being proposed such as equipment details, installation dates, and installation locations are already available through existing building permits filed with local municipalities throughout the State of California. Creating an additional reporting mechanism would be duplicative, inefficient, and unjustifiably burdensome.

It is important to note that while the U.S. Department of Energy (DOE) does require manufacturers of central split-system air conditioners to maintain records of sales to distributors for purposes of enforcing Regional Energy Efficiency Standards, this federal record keeping requirement is narrow in scope and does not impose a reporting obligation. It applies only to central split systems, not to heat pumps, packaged systems, or other HVAC equipment.

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In addition, HVAC manufacturers currently report their equipment shipments to distributors to the Air Conditioning, Heating, and Refrigeration Institute (AHRI) on a quarterly basis as part of the voluntary AHRI testing and certification program. These reports are limited to unit quantities by model number shipped into broad trade regions.

Some manufacturers may also request sales or demand data from distributor partners to enhance internal forecasting and production planning. However, these are voluntary, business-to-business arrangements, not government-imposed mandates. Importantly, the data involved is limited, aggregated, and not shared beyond the immediate business relationship.

To our knowledge, contractors are not currently subject to any equipment reporting requirements. Attempting to impose such mandates on contractors, many of whom are small businesses, would likely be unworkable. These contractors typically lack the staffing, software systems, and administrative infrastructure necessary to comply with detailed reporting obligations. Any such requirement would impose significant administrative and financial burdens and could lead to widespread non-compliance and inaccurate data, despite good-faith efforts.

For all these reasons, we strongly believe that all businesses, regardless of size or technical capacity, should be exempt from any new HVAC equipment reporting mandates. The proposed requirements are unnecessary, since much of the relevant information is already available through local permitting systems. Furthermore, they are impractical and burdensome, with no demonstrated benefit to offset the significant cost and operational disruption they would impose across the supply chain.

We respectfully urge the California Energy Commission (CEC) to abandon any plans to implement such requirements, and instead focus its efforts on improving and streamlining California's fragmented and inefficient permitting processes.

9. How detailed should reported information be about the type or model of equipment? Should equipment counts be grouped or aggregated by model family, size or capacity, or by some other factor? Why or why not?

If a reporting mandate is established for the HVAC supply chain, any required information must be strictly limited to what is already provided by contractors through the existing permitting process. Requiring the reporting of additional or more granular data is unnecessary, unjustified, and increasingly prone to inaccuracy and misuse. As the scope of data collection expands beyond permit-level information, the reliability of the data declines, while the risks to businesses significantly increase.

All entities within the HVAC supply chain, manufacturers, distributors, and contractors, must treat sales and operational information with extreme care. Much of this data is highly sensitive and commercially valuable. If exposed, whether through competitor access or a security breach, it could cause substantial harm to businesses, including loss of market position, compromised customer relationships, and, in severe cases, permanent closure.

The types of data potentially at risk include:

- Customer lists
- Pricing strategies
- Sales volumes and patterns
- Market share intelligence
- Supply chain partnerships and practices

Unfortunately, California has a well-documented history of cybersecurity failures and vulnerabilities within state-operated data systems. Given this track record, the state cannot credibly guarantee the protection of sensitive business data submitted through a government-mandated reporting process. Any breach of such a system would not only harm individual businesses but also expose the state to significant legal and financial liability for failing to safeguard information it compelled companies to submit.

Even if HVAC manufacturers and distributors had the information and were technically capable of compiling and submitting the required data, the risks far outweigh the potential benefits, especially considering that those benefits appear limited to improving permitting compliance. Enhancing local enforcement and reforming the existing permitting process is a more appropriate and targeted solution.

In summary, if any reporting requirement is imposed, it must be narrowly tailored and limited exclusively to the information already included in building permits. Expanding beyond that would introduce significant risk, compromise sensitive business data, and create new costs and burdens without meaningful benefit to the state or the public.

10. How detailed should reported information be about the destination and purchaser/receiver of any equipment? Should sales to contractors record their contractor license number?

Contractors are the only point in the HVAC supply chain with direct knowledge of where equipment is installed, down to the city and county level. However, requiring contractors to report this information would constitute an improper and invasive demand for private customer data. The relationship between contractors and their customers is built on trust and confidentiality. Forcing contractors to disclose identifiable customer or location data would violate that trust and expose businesses to serious competitive and legal risks.

Throughout the HVAC supply chain, from manufacturers to distributors to contractors, sensitive business information such as customer lists, pricing models, sales practices, and supply chain relationships must be protected. This data is essential to maintaining a business's competitive position and long-term viability. The creation of a centralized database containing such information is highly inappropriate and poses unacceptable risks.

If confidential business data were to be compromised, whether through a cybersecurity breach or unauthorized access by competitors, it could result in irreparable harm. Businesses could lose their competitive edge, see their customer base targeted, and even face closure. Given the State of California's documented history of data security vulnerabilities in state-run systems, there is no credible assurance that this sensitive information would be adequately protected. The risk of breach or misuse far outweighs any potential benefit the state might gain from collecting this data.

If a reporting mandate is established, it must not extend beyond the information already included in building permits submitted by contractors. The more detailed and expansive the reporting requirements become, the more improper and problematic they are, both in terms of data accuracy and business impact. Requiring additional data is unnecessary, unjustified, and places businesses at increased legal, financial, and operational risk.

Reporting requirements that go beyond what is already provided through the permitting process represent an overreach. They threaten the privacy of consumers and the confidentiality of critical business data across the HVAC industry. We strongly urge the California Energy Commission to avoid implementing any such mandate and to focus instead on improving the state's permitting infrastructure.

11. How detailed should reported information be about when equipment was delivered?

I strongly oppose any requirement for entities within the HVAC supply chain to report data at any time or interval. The types of information being considered such as equipment details, installation dates, and locations are already available through building permits filed with local jurisdictions throughout California. There is no justification for duplicating this information through new, burdensome reporting mandates.

All manufacturers, distributors, and contractors must exercise extreme caution when handling data related to equipment sales and delivery. This information is often commercially sensitive and proprietary. If it were to fall into the hands of competitors, the consequences could be severe, ranging from loss of market position to customer attrition and, in some cases, business closure. Sensitive business information includes customer lists, market share, pricing strategies, business practices, and supply chain relationships. Releasing this data under a mandated reporting structure poses serious competitive risks.

A particularly concerning element of the proposal is the potential requirement to report equipment delivery dates. This information offers no meaningful value to the California Energy Commission (CEC) in terms of policymaking, permit enforcement, or achieving broader energy or emissions goals. It would instead force businesses to disclose operational details that, if breached or mishandled, could result in significant financial and reputational harm.

Rather than implementing risky and burdensome reporting mandates, it would be far more beneficial for both California businesses and consumers if the CEC focused on streamlining and modernizing the permitting system itself. Partnering with the Contractors State License Board (CSLB) to create a centralized, automated, and standardized statewide permitting system would be a far more effective solution. The current system, fragmented, inconsistent, and inefficient is the root cause of most compliance issues.

It's also critical to address the fact that fewer than 5% of HVAC system replacements in California are currently permitted. Based on my industry experience, the actual percentage may be significantly lower, possibly even less than 2%. This statistic should be a wake-up call for the CEC and the CSLB as well as the California State Legislature. The problem is not a lack of reporting by private businesses, but rather a deeply flawed and outdated permitting system that deters compliance. Any effort to improve compliance must start with reforming that system, not by shifting the burden onto private companies that are already stretched thin.

12. Should refrigerants used by reported units be specified? Why or why not?

I strongly oppose any requirement for entities within the HVAC supply chain to report data at any time or interval. The types of information being proposed such as equipment details, installation dates, and locations are already captured through building permits filed with local municipalities throughout the State of California. Duplicating this information through additional reporting mandates is unnecessary and will only add to the cost of compliance across the supply chain, costs that will ultimately be passed on to the consumers.

In particular, requiring companies to report refrigerant information is entirely redundant. This data is already publicly available and accessible to the California Energy Commission (CEC) and any other relevant agency or entity. Mandating that businesses report refrigerants used in the equipment they sell or install would serve no practical purpose and would only impose new administrative burdens, forcing companies to divert resources into compliance efforts that yield no added value.

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In conclusion, I strongly urge the CEC to abandon any proposed supply chain reporting requirements. Instead, the Commission should focus on working with the Contractors State License Board (CSLB) to develop a unified, efficient, and enforceable statewide permitting system. That is where the true opportunity for improvement exists—and where efforts should be directed.

Thank you for the opportunity to provide responses to CEC's RFI about energy data collection. If you have questions or feel that I can help in any way please feel free to contact me any time.

Sincerely,

Layne Miller, CEO
Geary Pacific supply