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*Comment Received From: Phong Tran  
Submitted On: 2/11/2026  
Docket Number: 24-OIR-03*

## **I respectfully ask the California Energy Commission to abandon this proposal**

To the Commissioners and Staff of the California Energy Commission (CEC), My name is Phong Tran, and I am the Owner of Phong Hang Construction, an HVACR and plumbing based in San Jose City, California. We currently 0 employ dedicated technicians and office staff who work daily to ensure the comfort and safety of our local community. I am writing today to respectfully express my strong opposition to the proposed HVACR and water heater sales registry.

While I share the Commission's™ goals of increasing energy efficiency and ensuring regulatory compliance, the proposed sales registry is an impractical solution that will place undue burdens on small businesses like mine. Based on our operational experience in the California market, I believe this proposal would create significant administrative hurdles, increase costs for consumers, risk the security of confidential business data, and ultimately fail to address the root causes of permit non-compliance. Increased Administrative Burden and Operational Complexity For a business of our size, every hour spent on administrative paperwork is an hour taken away from serving our customers. The proposed registry would require us to implement entirely new data collection and reporting workflows. For every unit sold or installed, our staff would be required to track, verify, and upload specific data points to a state-managed system. I current is already stretched thin managing existing building codes, local municipal requirements, and payroll. Adding a mandatory reporting layer requires either hiring additional administrative personnel or diverting technicians from the field to handle data entry. In an industry already facing a significant labor shortage, these additional hours represent a substantial loss in productivity and operational efficiency.

### **Added Costs to California Consumers**

The financial impact of this mandate cannot be viewed in isolation. The costs associated with software integration, additional staff time, and compliance monitoring will inevitably be passed down to the homeowner. California residents already face some of the highest living and energy costs in the nation. By adding a "compliance tax" in the form of administrative overhead, the CEC is making essential services—such as replacing a broken water heater in the middle of winter or an air conditioner during a heatwave—less affordable for the average family. This may inadvertently drive more homeowners toward "under-the-ground" unlicensed operators who ignore both the registry and safety permits entirely.

**Risks to Confidential Business Information** One of our primary concerns is the security and privacy of our proprietary business data. A centralized state registry containing detailed sales records, customer addresses, equipment specifications, and transaction volumes represents a significant security risk.

In the competitive HVACR and plumbing landscape, our customer lists and sales volumes are confidential assets. A data breach or unauthorized access to this registry could provide competitors with sensitive information about our market share and

customer base. Furthermore, we have serious concerns regarding how this data will be stored, who will have access to it, and the potential for "mission creep," where data collected for efficiency purposes is later used for unrelated regulatory or tax enforcement.

#### Failure to Solve Permit Compliance

The core justification for this registry appears to be the improvement of permit compliance rates. However, a sales registry at the distributor or contractor level does not solve the underlying reasons why permits are not pulled.

Permit non-compliance is largely driven by the high cost of local permits, the inconsistency of requirements between different jurisdictions, and the lengthy wait times for inspections. Tracking the sale of a piece of equipment does not guarantee that a permit will be filed or that an inspection will occur. Instead of creating a massive data-collection apparatus that penalizes law-abiding, licensed contractors, the state should focus on streamlining the existing permitting process and making it more affordable and accessible for both contractors and homeowners.

#### Conclusion

P.H. Construction is committed to providing high-quality, energy-efficient solutions to San Jose City. We take pride in our work and our contribution to California's energy goals. However, we believe the proposed sales registry is a disproportionate and ineffective response to the challenges of permit compliance. It places a heavy burden on the very businesses that are trying to operate within the law, while doing little to stop unlicensed activity.

The proposed registry will increase overhead, threaten the privacy of our business operations, and increase prices for our customers without providing a clear, measurable benefit to the state's energy infrastructure.

I respectfully ask the California Energy Commission to abandon this proposal. Instead, I encourage the Commission to collaborate with industry stakeholders to find constructive ways to simplify the permitting process and incentivize compliance without the need for a burdensome and intrusive sales tracking system.

Thank you for your time and for considering the perspective of a local California small business.

Sincerely,

Phong Tran  
Owner  
P.H. Construction