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**Daikin Comments-RFI for Space Conditioning and Water Heating
Equipment Data Tracking**

Additional submitted attachment is included below.



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February 13, 2026

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 (“Commission”) in response to the second Request for Information (RFI) on Draft Express Terms with regards to Energy Data Collection phase 3 – Space Conditioning and Water Heating Equipment Data Tracking.

Heat pumps play a 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 (2) 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 support 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 and its sister operating companies in U.S.—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, the Daikin Group of companies 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 established support rapid heat pump deployment and reduce barriers on manufacturers, distributors, contractors, and California households. Daikin is concerned that several aspects of this proposal may unintentionally undermine these shared goals.

Data Collection and Heat Pump Tracking

As we mentioned in Daikin's comments submitted to the initial RFI on the data collection efforts, Daikin is generally supportive of the Commission's goal to ensure compliant heat pumps are being installed in California homes by permitted contractors. As such, Daikin is also generally supportive of the Commission collecting high-level installation data as a long-term mechanism of tracking. Modernizing and streamlining California's permitting system is the most reliable, and perhaps the only, way to achieve installation-level tracking of residential heat pumps. Other data collection efforts, as suggested by the Draft Express terms in this RFI, are infeasible and will not ultimately provide California with the installation-level data it is seeking to improve installation compliance throughout the state. Instead, such data collection efforts that collect equipment and business information throughout the manufacturer and distribution chains will force companies and the Commission to invest significant resources to comply, without directly improving permitting compliance and advancing heat pump deployment throughout the state. This proposal creates barriers and adds cost to residential heat pumps throughout the supply chain, and it inadvertently includes some commercial equipment.

During the public workshop held on January 9, 2026, the Commission shared its proposed plans for data collection on manufacturers, distributors, and retailers. The plans consisted of collecting three types of equipment data, namely: (1) Make/Brand; (2) Model Number; and (3) Serial Number, as well as collecting three types of buyer data, namely: (1) Name and billing address; (2) Business ID number (if a business); and (3) Contractor ID number (if a contractor). As a manufacturer of heating and air-conditioning equipment, Daikin may possess the equipment-level data regarding what an OEM sells in California that the Commission has identified in this RFI, but it will take a significant number of resources and time (e.g., two plus years) to collect from different systems to be able to submit in an automated fashion as the Commission is seeking. In addition,



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Daikin foresees significant challenges associated with collecting buyer data from both manufacturers and distributors as well as equipment data from distributors, sellers, retailers, and contractors. Daikin expects the Commission to encounter manufacturers with incomplete buyer data, especially Business ID, which Daikin does not possess. In addition, Daikin expects missing Contractor ID numbers and installers with missing CSLB licenses. Other challenges Daikin emphasizes are multi-sales channel complexity and tracking the products that are shipped from outside California. There are a range of HVAC sales channels from national accounts, company-owned distributors, independent distributors, to internet sellers. In sum, the proposal by the Commission is infeasible due to the lack of complete information, especially surrounding the buyer data and collection of equipment data from distributors, the burden, and the complexities of the distribution chain.

As stated in our first RFI response, Daikin realizes that California policymakers need a near-term solution to understand California's progress toward meeting its 6 million heat pump deployment goal. Daikin continues to believe that manufacturer shipments to California on a quarterly basis can serve as a near-term proxy providing a good sign of volumes, product categories, and trends to policy makers within the state. Daikin further recommends that California work with AHRI obtaining California shipments information for those manufacturers that choose to have AHRI submit on their behalf.

Specific Questions for which the Commission Sought Comment

Reflecting on the aforementioned possible challenges, Daikin is pleased to offer more specific feedback to the Commission's questions in the RFI.

1. Daikin does not have any specific feedback on this question.
2. Scope: Daikin has a number of comments related to the scope of the draft regulation, including applicability to commercial equipment, applicability to heat pump chillers, applicability to imported products, and applicability to indoor units and service coils.

Daikin strongly recommends that the Commission should expressly state that commercial heating, cooling, and water heating equipment is not in the scope of the data collection regulation, if finalized. The Draft Express Terms apply to all heating, central air conditioners and heat pumps and water heating equipment covered by California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, Sections 1601(b), (c), (e), and (f), excluding air filters, and as defined in Title 20, Division 2, Chapter 4, Article 4, Section 1602 (Proposed § 1396.1.(b)). Section 1602 of Title 20 explicitly defines "Central air conditioner" and "Central air-conditioning heat pump" as being "powered by single phase electric current", so Daikin concludes that the Commission's intent is to exclude commercial AC/HP from the scope. This would be consistent with all the Commission's



research published on the issues this RFI seeks to address.¹ However, a “Heat pump water-heating package” which is defined as “a factory-made package of one or more compressors, condensers, and evaporators designed for the purpose of heating water. Where such equipment is provided in one or more than one assembly, the separate assemblies are designed to be used together. The package is specifically designed to make use of the refrigerant cycle to remove heat from an air or water source and to reject the heat to water for heating use. This unit may include valves to allow for reverse-cycle (cooling) operation,” does not include electric phase. Daikin believes that without a reference to electric phase, the regulatory scope inadvertently included commercial heat pump chillers. As the Commission knows, the commercial HVAC market has fundamentally different challenges and requirements than the residential sector. Daikin specifically requests that all commercial and industrial heating, cooling, and water heating equipment be excluded from the Commission’s data collection rulemaking, including heat pump chillers. This scope clarification could be accomplished by modifying proposed Section 1396.1 (b) in bold text:

*The reporting requirements of this Article shall apply to manufacturers, private brand packagers, reassemblers, distributors, and retailers engaging in any sale into or within California of equipment within the scope of California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, Sections 1601(b), (c), (e), and (f), excluding air filters **and 3-phase equipment**, and as defined in Title 20, Division 2, Chapter 4, Article 4, Section 1602.*

Secondly, Daikin respectfully requests that the Commission clarify how the reporting regulations would apply to imported products. For example, a manufacturer may use a port in California to either pass through for further transportation within the United States before clearing customs or to import and clear customs in the State of California. Daikin recommends that the Commission add clarity that the reporting regulations apply only to equipment that has cleared customs at a port of California and not to equipment that is passing through a port in California for further transport. This clarification is important to bring clarity to the scope of the proposed regulation.

Finally, Daikin appreciates the Commission clarifying the reporting regulations apply only to compressor-containing equipment. Daikin requests that the Commission add regulatory language expressly stating that air handlers and service coils are also expressly out of scope.

3. Daikin does not have any specific feedback on this question.
4. The Commission should narrow the scope of the collection efforts to “manufacturer-reported shipments into California distribution channels,” including shipments reported through AHRI on behalf of participating manufacturers. The manufacturer reported shipments do not need to be at the serial-level for California to gain information and policy

¹ California Energy Commission. (n.d.). *California Energy Commission: Docket log*.
<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=17-EBP-01>



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inferences from the data. However, in the long-run, Daikin would like to reinforce that we agree with the Commission's goals of increasing permitting compliance and further supporting heat pump deployment, which can be achieved through a streamlined statewide online permitting system.

- 5 & 6. Daikin believes the Commission has significantly underestimated the time and resources needed for manufacturers and the distribution chain (e.g., distributors, retailers, etc.) to develop an online system in the format that the Commission is seeking. First, there will be one-time investment in software and development that entities must make if the Commission's proposal gets finalized. Next, there will be a large, multi-year effort to organize and review existing data from different systems across the many different channels. Lastly, there will need to be ongoing quality control efforts on the data that should be submitted to the Commission. The estimates provided by the Commission grossly underestimate both the initial and annual investments needed to be made by manufacturers, distributors, retailers, and contractors.
7. Daikin does not have any specific feedback on this question.
8. Daikin does not believe that the Commission should collect billing address. Billing address is often disconnected from installation location due to national or regional accounts and centralized purchasing.
- 9 & 10. No, Daikin does not believe any additional data fields should be considered for collection by the Commission. In fact, Daikin believes the current scope and collection as proposed in the Draft Express terms are infeasible. In the long term, installation-level tracking should be achieved through a streamlined statewide online permitting system.
11. The collection of equipment data and buyer data from manufacturers and various steps in the distribution chain is highly confidential, business sensitive information. Daikin believes additional safeguards are needed to ensure sufficient protection of data. Daikin appreciates the Commission's suggestion to aggregate reports of data to address this concern. But without expressly explaining how this aggregation would be accomplished, it is entirely foreseeable that manufacturer sensitive information could be inadvertently released. Even in an aggregated form, this data could be mined to reveal critical sales channels and marketing efforts.

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



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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 black ink that reads "David B. Calabrese". The signature is written in a cursive, flowing style.

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