

DOCKETED

Docket Number:	24-OIR-03
Project Title:	Energy Data Collection - Phase 3
TN #:	268610
Document Title:	Earthjustice et al Comments on HVAC and Water Heating Reporting
Description:	N/A
Filer:	Matthew Vespa
Organization:	Earthjustice
Submitter Role:	Intervenor
Submission Date:	2/13/2026 9:20:40 AM
Docketed Date:	2/13/2026



via electronic submission

February 13, 2026

California Energy Commission
Docket Unit
Docket No. 24-OIR-03
715 P Street
Sacramento, CA 95814

RE: Earthjustice, NRDC, and USGBC California Comments on the Draft Express Terms for Data Collection Regulations on Space Conditioning and Water Heating Equipment, Docket 24-OIR-03

Earthjustice, NRDC, and USGBC California appreciate the opportunity to provide input on the Draft Express Terms for data collection regulations on space conditioning (“HVAC”) and water heating equipment.¹ Data collection on the sales of HVAC and water heating is critical for permit compliance and its corresponding assurances of quality installations, assessing California’s progress in achieving its building electrification objectives, and enabling more accurate energy demand forecasting. For these reasons, we strongly support the data collection proposal and urge the California Energy Commission (“CEC”) to finalize the Draft Express Terms through a formal rulemaking. To more clearly understand sales trends and tailor policy responses, the Draft Express Terms should be revised slightly to require reporting of additional information such as fuel type and refrigerant classification. Finally, to the extent the CEC is concerned with rule implementation and compliance, we recommend a phased approach whereby manufacturers could immediately begin to report sales data, followed by distributors, and then equipment installers.

1. The CEC’s Data Reporting Proposal for Space Conditioning and Water Heating Equipment is Critical to Address Significant Information and Compliance Gaps.

We strongly support the CEC’s proposed reporting requirements for HVAC and water heating equipment sales. In proposing data collection regulations, the CEC is acting well within its regulatory authority and appropriately responding to policy needs and directives from the California Legislature.² The current state of permit compliance for space conditioning and water heating equipment in California is abysmal. Installers do not pull the appropriate building

¹ CEC, *Notice of Public Workshop and Request for Information (RFI) Space Conditioning And Water Heating Equipment Data Tracking Second RFI on Draft Express Terms*, Docket No. 24-OIR-03, at 8 (December 22, 2025), <https://efiling.energy.ca.gov/GetDocument.aspx?tn=268026&DocumentContentId=105039>.

² CEC, *RFI Energy Data Collection Phase 3*, Docket No. 24-OIR-03, at 4 (July 2, 2025), <https://efiling.energy.ca.gov/GetDocument.aspx?tn=264545&DocumentContentId=101418>.

permits for over 90 percent of HVAC units, resulting in no quality control or installation oversight.³ Units that are incorrectly installed are both wasteful and unsafe, consuming up to 30 percent more energy.⁴ Recognizing this problem, the California Legislature passed Senate Bill 1414 (Wolk, Statutes of 2016, Chapter 678) directing the CEC to adopt regulations that will improve HVAC permitting compliance.⁵ Enacting sales reporting requirements for space conditioning and water heating equipment is the first step toward increasing accountability, market visibility, and realizing substantial energy savings from proper HVAC installations.

In addition to state energy code and permitting compliance, Governor Newsom has set several statewide building electrification goals, including 3 million climate-ready and climate-friendly homes and the deployment of 6 million heat pumps by 2030.⁶ Sales reporting requirements for HVAC and water heating equipment allow the CEC to track the progress toward heat pump installation and California's electrification objectives. The CEC can also use collected geographic information for equity considerations in technology deployment. The proposed collection of granular geographic information like billing address will enable the CEC and other state agencies to better understand where heat pumps are being installed (or not installed) across the state. This data can then enable more tailored policy solutions to ensure disadvantaged communities are not left behind in the transition toward zero-emission technologies.

Data collection on HVAC and water heating equipment can also inform the CEC's energy modeling in the Integrated Energy Policy Report ("IEPR"). Having grounded data that is responsive to demand changes is imperative as heat pump deployment increases and California transitions to a net-zero economy.⁷ The CEC and other state decisionmakers should not have to speculate about the extent of deployment of fuel-switching technologies as they forecast the need for grid investments. With high energy costs and climate impacts intensifying, California must be making smart grid investments to anticipate and address electric load growth. The information gained from establishing sales reporting requirements will serve an important public purpose, resulting in better grid resilience and management, energy savings, and assessing progress and tailoring corrective actions in meeting California's climate, air quality and equity objectives.⁸

³ CEC, *AB 2021 Report: Strategic Plan to Reduce the Energy Impact of Air Conditioners*, CEC-400-2008-010, at 7 (June 2008), <https://catalog.hathitrust.org/Record/102279333>.

⁴ CEC, *RFI Energy Data Collection Phase 3*, Docket No. 24-OIR-03, at 4 (July 2, 2025), <https://efiling.energy.ca.gov/GetDocument.aspx?tn=264545&DocumentContentId=101418>.

⁵ *Ibid.*

⁶ Office of the Governor, *Letter to CARB*, at 2 (July 2022), <https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf?emrc=1054d6>.

⁷ Alison Takemura, *Heat pumps outsold gas furnaces by their biggest-ever margin in 2024*, Canary Media (February 20, 2025),

<https://www.canarymedia.com/articles/heat-pumps/heat-pumps-keep-widening-their-lead-on-gas-furnaces>; CARB, *2022 Scoping Plan for Achieving Carbon Neutrality*, at 75 (Dec. 2022),

<https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf>.

⁸ CARB, *2022 Scoping Plan for Achieving Carbon Neutrality*, at 1 (Dec. 2022), <https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf>.

2. The Draft Express Terms Should Be Strengthened to Include Additional Descriptive Information About HVAC and Water Heating Equipment.

Currently, the data required in the Draft Express Terms is extremely limited. To more clearly and directly meet informational needs, the CEC should collect additional information like fuel type, refrigerant classification, and capacity that is already known by reporters and will not unduly add to the compliance cost. This will make it simpler for CEC staff to more readily assess broader energy trends like fuel switching or power usage. While some of this information could likely be uncovered by searching attributes of specific HVAC and water heating model numbers, failure to collect this information on the front end creates needless additional work on the back end. Accordingly, the CEC should make the following text changes to the Draft Express Terms to collect additional descriptive information about HVAC and water heating equipment:

(a) Reporting entities shall submit, in their quarterly report, the following data for each unit of space heating, air conditioning, and water heating equipment sold into or within California during the reporting period:

(1) Make or brand of each unit;

(2) Model number of each unit;

(3) Serial number of each unit;

(4) Fuel type of each unit;

(5) Capacity or size of each unit;

(6) ASHRAE refrigerant designation of each unit;

(7) If the unit is a heat pump, heat pump system configuration (ducted, ductless, minisplit) of each unit;

~~(4)~~(8) Name and billing address of the entity purchasing the unit;

~~(5)~~(9) If the purchasing entity was a business entity, their SOS-issued business entity ID number; and

~~(6)~~(10) If the purchasing entity was a contractor, their CSLB-issued license number.

3. Thoughtful Implementation of the Reporting System and Tactful Analysis of the Data Collected will be Key to the Success of the Proposed Reporting Regulation.

At the public workshop on January 9, 2026, and in previous written comments, stakeholders have identified two concerns: 1) the reported data would not improve the

information and compliance problems identified in the rulemaking proposal, and 2) the implementation of a reporting requirement would be too complicated and onerous.⁹ As set forth above, data reporting is critical to addressing data gaps and permit compliance issues and will advance the CEC's stated goals for this rulemaking. In addition, the requested reporting is neither complicated nor onerous. However, to address any potential implementation concerns, as discussed in Earthjustice's earlier comments in this docket, the CEC could phase-in reporting requirements for each type of reporter.

The reporting requirements could start with manufacturers who are limited in number and have already collected the sales data identified in the Draft Express Terms per federal regulation. Manufacturer sales data will give the CEC broader visibility into the type and quantity of equipment shipped into the state and will be useful for estimating state-wide energy usage for this equipment and broader market trends. The CEC should also use this phase-in stage for manufacturers to trouble-shoot the reporting system and ameliorate any issues that arise in the early stages of implementation. Then the CEC can begin to phase in other reporters like distributors, retailers, and installers who are more numerous and may require additional education and outreach to comply with reporting requirements. Finally, the CEC could bring in reporting for equipment installers. Installation data will be the most difficult data to collect or proxy and the most important for understanding localized energy demand and modeling more accurate energy projections.

Thank you for your consideration of these comments and your work in developing these critically needed reporting requirements.

Sincerely,

Matt Vespa
Senior Attorney
Earthjustice
mvespa@earthjustice.org

Cassidy Childs
Senior Research and Policy Analyst
Earthjustice
cchilds@earthjustice.org

Merrian Borgeson
CA Director, Climate & Energy
NRDC
mborgeson@nrdc.org

Ben Stapleton
CEO
USGBC California
ben@usgbc-ca.org

⁹ CEC, *Staff Presentation, Public Workshop Second Data Tracking RFI and Draft Express Terms*, Docket No. 24-OIR-03 (January 13, 2026), <https://efiling.energy.ca.gov/GetDocument.aspx?tn=268230&DocumentContentId=105396>.