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**Docket #24-OIR-03: LG Comments - California Energy Commission
RFI Energy Data Collection - Phase 3**

Dear CEC,

Attached please find the comments of LG Electronics USA, Inc. on the RFI concerning space conditioning and water heating equipment data tracking.

For the contact information, please use "LG Electronics USA, Inc." as the business/entity name.

Thank you,

Jacqueline Nam

Additional submitted attachment is included below.



LG

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February 13, 2026

Dr. Andrew McAllister, Commissioner
California Energy Commission
715 P Street
Sacramento, CA 95814

RE: Second Request for Information (RFI) Energy Data Collection Phase 3 – Space Conditioning and Water Heating Equipment Data Tracking (Docket # 24-OIR-03)

Dear Commissioner McAllister,

LG Electronics USA, Inc. (“LG”) appreciates the opportunity to provide input on the California Energy Commission’s (“CEC” or “Commission”) Request for Information (RFI) regarding potential data-tracking and reporting requirements for space conditioning and water heating equipment.

As an active member of California Heat Pump Partnership (“CAHPP”), LG remains strongly committed to California’s decarbonization goals, including the State’s target to deploy six million heat pumps by 2030. We share the Commission’s goal of advancing market transformation and delivering measurable emissions reductions. We also value CAHPP’s collaborative model that convenes the State, utilities, workforce partners, and manufacturers to address real-world deployment challenges. This partnership ethos is essential: ambitious goals translate into outcomes only when supported by implementable program designs, aligned timelines, dependable supply chains, and a field-ready workforce that enables contractors and consumers to succeed.

I. LG Supports the Commission’s Objectives

LG understands and supports the Commission’s stated objectives in this RFI, including:

- improving statewide energy-demand forecasting;
- strengthening Energy Code and permitting compliance; and
- streamlining compliance across state and local programs.

When these efforts are aligned and implemented in close coordination with industry and workforce partners, they can contribute to a more cohesive market environment—one that supports accelerated deployment of high-efficiency technologies and enhances program accountability. LG



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appreciates the Commission’s attention to these issues and welcomes opportunities to collaborate on approaches that improve consistency, reduce administrative burden, and enable successful outcomes across the State’s electrification and efficiency initiatives.

II. Considerations on the Applicability of Manufacturer Data

LG respectfully submits that manufacturer-level sales or shipment data is nonessential to achieve the Commission’s objectives and, in certain respects, is ill-suited to the Commission’s intended purposes. Once a unit leaves an OEM’s warehouse, manufacturers typically lose visibility into where it ultimately ends up. Equipment often moves through multiple intermediaries—distributors, wholesalers, branch transfers, and contractor sales—before installation. During that journey, inventory can be reallocated between regions, returned, resold, or shipped out of state, cutting reliable link between OEM shipment and the eventual installation address, utility service territory, building type, or permitting status.

The Commission’s core objectives hinge on understanding actual load, adoption, and compliance in the appropriate “unit of analysis” for these objectives is in the downstream—at the jobsite, not upstream at the factory or distribution center. The record in this proceeding, along with the studies it cites, has consistently shown that a significant share of HVAC replacements is installed improperly and that only a small portion are completed with the required permits. Permitting and inspection are fundamental to confirming that installations are electrically ready, safe, and code-compliant. Without proper permitting, deficiencies can persist and substantially erode expected efficiency and performance outcomes.

LG reiterates its full support for the State’s heat pump adoption goals and encourages the Commission to direct solutions where the underlying issues actually occur: enforcing current permitting rules, streamlining and updating permitting systems to make them easier for licensed contractors to navigate, and strengthening quality-assurance practices. These interventions will do far more to advance accurate forecasting and consistent code compliance than upstream reporting that cannot be reliably mapped to on-the-ground installations.

III. Enhancing Program Effectiveness Through Targeted Action

Efforts in this proceeding should be directed toward strengthening enforcement of existing laws and advancing meaningful permitting reforms, rather than creating new reporting layers that do not address the root problems. The proposed reporting requirements would add cost and delay without delivering tangible improvement in installation quality, energy savings, or heat pump



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adoption. Instead, the additional administrative burden would fall disproportionately on the stakeholders, further straining affordability and extending project timelines.

The underlying issues stem from uneven enforcement across jurisdictions and the persistent prevalence of unlicensed or unpermitted HVAC work. Meaningful progress is more likely when efforts are directed toward the areas where these challenges tend to arise, including consistent statewide enforcement of permit requirements, modern and streamlined online permitting workflows that support licensed contractors, and enforcement tools that discourage unlicensed or underground installation activity.

IV. RFI Questions for Stakeholder Response

1. Is the proposed language clear and accurate? If not, how may it be improved?

The draft language does not clearly describe how certain business practices would be addressed. Specifically, greater clarity on the geographic scope, responsible party, and treatment of multi-state distribution channels is needed to avoid inconsistent reporting. The reporting process also requires further development. For example, it remains unclear how entities should report equipment that is shipped but returned, or units that ultimately go uninstalled. Clarification on reconciliation methods, tolerances for discrepancies, and appropriate handling of non-installed equipment would enhance the accuracy and practicality of reporting.

2. Should any other categories of equipment be excepted, and on what basis?

LG has no comment on question 2.

3. Are the proposed new definitions suitable and appropriate as written, or are there ways to improve the proposed language?

LG has no comment on question 3.

4. Are there any additional terms that would be appropriate to define in regulation (e.g., where an ordinary understanding or dictionary definition would be vague or insufficient)?

LG recommends defining “compressor-containing equipment” to clarify the equipment types subject to reporting. This would help distinguish the intended scope from the broader phrasing in the draft, which references “each unit of space heating, air conditioning, and water heating equipment” and may read as overly expansive without further definition.



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5. Are staff's estimates reasonable? If not, can data be provided that would allow staff to develop a more accurate estimate?

Staff's estimates appear premature, as the reporting process, responsible entities, data elements, and workflows are not yet defined. Without a clear understanding of the reporting obligations for each market actor, it is not possible to generate a meaningful estimate of labor hours or system costs.

It is also worth noting that a single unit of equipment may be reported at several points along the supply chain. For LG HVAC equipment sold in California, this would include reporting by LG, by the distributor, and by the installing LG Pro. This repeated reporting could add substantially to the cumulative cost and administrative workload for all parties involved.

6. Is the estimate a sufficient proxy for IT costs or one-time costs? If not, what values (for wages and/or hours) should be used to determine these costs?

Given that the reporting process is not yet defined, it is not possible to determine appropriate cost assumptions.

7. Are there specific adverse consequences to quarterly reporting, beyond the estimated cost, that are avoided by a different reporting period?

The quarterly reporting would likely introduce significant amounts of data, and its value relative to program goals is not entirely clear. Due to multiple market participants over a variable time period, the process may create multiple layers of reporting before the product reaches the installation stage. These early reporting steps may not directly support the Commission's goals around forecasting or compliance and could introduce redundancy rather than actionable insight.

8. Should the CEC collect billing address information? Is a different form of address data more likely to be collected by sellers in the normal course of business?

It is unclear whether billing address information meaningfully advances the Commission's objectives. Shipping addresses, while more commonly collected, also may not reliably indicate the installation location. Given these limitations, it may be helpful to evaluate whether collecting either data meaningfully supports the Commission's objectives.



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9. Should the CEC collect per-unit data on individual units sold? If not, what level of summary (e.g., number of a given model sold, or number of a given product category sold) would be most effective to leverage towards programmatic goals, and why?

No. Any data collection should be narrowly tailored to the Commission's stated purposes, with clear protections. The Commission can achieve meaningful trend insights through aggregated, California-level shipment data submitted via an industry association using standardized definitions and a modest reporting lag. This approach is feasible for OEMs to implement, and sufficient to inform statewide forecasting, program planning, and high-level market trends without the burdens or privacy risks associated with serial-level tracking.

10. Should the CEC collect descriptive information about equipment either instead of, or alongside, model number information? If so, what specific benefits would be realized by collection of this data beyond what is provided by / encoded into the model number?

No. Model numbers already encode key equipment characteristics, and additional descriptive data would duplicate information and add administrative burden without clear benefit.

11. Is there additional regulatory language relating to data confidentiality that would be appropriate to add to this section?

LG underscores the importance of data minimization and confidentiality. Detailed sales volumes, purchaser identification, and channel composition can constitute competitively sensitive business information, and broader multi-agency access increases the risk of inadvertent disclosure.

- a. *Data Minimization: Reduce privacy and litigation risk by limiting data elements to those strictly necessary to support CEC forecasting responsibilities and prohibit reporting of personal identifiers.*
- b. *Limitations on Use & Sharing of Reported Data: Public Resources Code §25301 and §25302 provide CEC with a statutory mandate that is limited to forecasting and report development. It does not authorize market-conduct monitoring, compliance assessment, or entity-specific oversight. Therefore, data must be used solely for those purposes. The rule should clarify that reported data cannot be*



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repurposed for enforcement, compliance surveillance, or market-conduct oversight as that exceeds CEC's authority. Interagency sharing should be for data-quality verification only and should be subject to the same limits on usage.

- c. Anonymize Data Before Interagency Sharing: Limit interagency data sharing to anonymized and aggregated datasets that cannot reasonably identify any persons or business. Sharing of identifiable data should be subject to confidentiality and privacy safeguards.*
- d. Ban Public Release of Transactional Level Data: Although the draft language does not currently propose public release of transactional data, the absence of an explicit prohibition leaves open the possibility that such data could be published in future integrated energy policy reports. Because the information provided may reveal sensitive, channel-specific details and could risk exposing personal information if purchaser-level data are included, CEC should explicitly prohibit public release of transaction-level datasets.*
- e. Alignment with Existing Obligations: Harmonize definitions, reporting timelines, and confidentiality protections across state agencies to mitigate risk of potential inconsistencies and administrative complexity.*

LG values the Commission's partnership and its thoughtful engagement with industry stakeholders throughout this process. We appreciate your consideration of the recommendations in this response and look forward to continued collaboration on approaches that advance California's policy objectives while remaining practical for the market.

Respectfully submitted,

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