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*Comment Received From: Rheem Manufacturing Company  
Submitted On: 2/13/2026  
Docket Number: 24-OIR-03*

## **Rheem Comment to Data Tracking RFI 2**

*Additional submitted attachment is included below.*



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February 13, 2026 - Submitted via California Energy Commission Docket.

Peter Strait  
Manager of Appliance Efficiency Branch  
California Energy Commission  
Docket Unit  
Re: Docket 24-OIR-03  
715 P Street  
Sacramento, CA 95814

**Re: Energy Data Collection – Phase 3; Docket Number 24-OIR-03**

Dear Mr. Strait,

Rheem Manufacturing Company (Rheem) appreciates the opportunity to comment on the California Energy Commission's (CEC) Second Request for Information (RFI) Energy Data Collection Phase 3 – Space Conditioning and Water Heating Equipment Data Tracking Docket Number 24-OIR-03.

Rheem is an industry leader in total heating, cooling, refrigeration, and water heating solutions, headquartered in Atlanta, Georgia and with a manufacturing facility in Oxnard, California. Rheem also has U.S. based manufacturing facilities in Alabama, Arkansas, and North Carolina and distribution facilities throughout the U.S., Canada and around the world. Rheem is committed to a clean energy future and continues to bring to market products that advance the goals of emissions reduction at an affordable price to the homeowner, working cooperatively with environmental agencies and regulators.

Rheem is a member of the Air-Conditioning, Heating, and Refrigeration Institute (AHRI), Association of Home Appliance Manufacturers (AHAM), and Heating, Air-conditioning, & Refrigeration Distributors International (HARDI) and supports their separately submitted comments. Rheem shares AHAM's concern that the CEC does not have legal authority to require this data collection and that such an effort is a regulatory overreach of a specifically defined statutory requirement and not aligned with either original or amended intent of the Statute. As AHRI and HARDI express in their comments, the proposed data collection does not fix the issue of permit non-compliance, which stems from an overly burdensome and confusing permitting process. In fact, the enhanced data collection proposed would unduly burden and add cost for manufacturers and other reporting entities. Rheem also has serious concerns about the type of information to be collected,



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specifically business confidential information that is at risk of being disseminated (leaked) to other governmental and non-government entities.

Rheem agrees with prior comments that manufacturers will face major challenges in collecting and reconciling shipment and sales data for California. Once water heating and HVACR products enter regional logistics networks, it becomes difficult to identify which units will ultimately be installed in the state. Products often move through multi-state distribution systems and can be resold through various wholesale or retail channels. As a result, products shipped to or from California may be installed elsewhere, while products shipped from outside the state may end up installed in California. Because distribution centers serve broad regions that do not correspond to actual installation locations, manufacturers cannot reliably match shipment or sales data to final installation sites. These distribution practices create unavoidable gaps and inconsistencies, resulting in incomplete and inaccurate datasets that may not reflect the equipment installed in California.

Specifically, Rheem recommends the regulatory language be fully revised to require aggregated data based on equipment type, which can be submitted annually through third parties, including, but not limited to industry trade associations. For manufacturers, this aggregated data should only include a best estimate of shipments into California.

## Questionable Data Collection Authority

The CEC stated in the First RFI that this data collection effort is justified under their authority to produce the Integrated Energy Policy Report (IEPR). (Public Resources Code (PRC) 25300-25328). The CEC also discussed several bills<sup>1</sup> related to permitting, quality installations, and inspections that have been passed into law over the last two decades. Within the Second RFI, no additional authority was discussed.

The content of the IEPR, as required by Statute, primarily focuses on utilities and the availability of energy resources. These energy resources are affected by space conditioning and water heating equipment, so information about these equipment types is reasonable to include in the IEPR.

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<sup>1</sup> AB2021-2006: [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=200520060AB2021](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200520060AB2021)  
SB 350-2015: [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB350](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB350)  
SB 1414-2016: [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB1414](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1414)



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The data collection section of the IEPR statute states that the CEC must “rely on the use of estimates and proxies, to the maximum extent practicable” and recommends “full consideration to the potential burdens these data requests impose on the resources of the stakeholders whose information is being requested.” (PRC 25320). The legislative intent is clear, in producing the IEPR, estimates must be used and the burden on stakeholders should be minimized. As discussed elsewhere in this comment, the data requested is burdensome to collect and highly confidential. Rheem understands the CEC has the authority to perform a targeted and limited data collection effort strictly tailored to data that will be used in the IEPR. Unfortunately, the proposed data collection effort overreaches and collects data that is not necessary for the development of the IEPR. In addition, the CEC has not demonstrated that the existing estimation methods are inadequate. Rather, the CEC states that because of past “criticism” it will “obtain point specific information where possible.” This is counter to the Statute’s mandate that the CEC use estimates “to the maximum extent practicable.” If the CEC cannot stand by its past work, then all policy decisions based on that work are called into question.

Rheem notes that Section 4 of AB2021-2006 does not grant the CEC any authority over data collection but directs the CEC to develop a plan to improve the energy efficiency of *air-conditioners* and to recommend amendments to Statute that may be implemented by the Legislature. Presumably, the other CEC referenced bills that have passed used the CEC developed plan and Legislative recommendations.

SB350-2015 amended PRC Section 25943 and directed the CEC to develop a comprehensive program that will achieve greater energy efficiency in existing residential and nonresidential structures. The Legislature included examples for program components, including, but not limited to energy assessments, building benchmarking, energy rating, cost-effective energy efficiency improvements, public and private sector energy efficiency financing options, public outreach and education efforts, and green workforce training. Notably, this list does not include data collection or components that Rheem would consider punitive. Within RFI 1 the CEC quoted the amended PRC Section 25943(a)(3) “adopt, implement, and enforce a responsible contractor policy ... to ensure that retrofits meet high-quality performance standards and reduce energy savings lost or foregone due to poor-quality workmanship.” The “...” omitted the language “for **use across all ratepayer-funded energy efficiency programs** that involve installation or maintenance, or both installation and maintenance, by building contractors.” Rheem understands the full text of SB350-2015 to grant CEC authority to establish a “responsible contractor policy” only under “ratepayer-funded energy efficiency programs,” which does not encompass the entire space conditioning and water heating market. Further, PRC



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Section 25943(g) clarifies that if implementing a program requires an expansion of authority, the CEC must obtain Legislative approval. Rheem is not aware of Legislative approval for this data collection effort. In fact, as stated in AHAM’s comment, the *failed* SB795<sup>2</sup> of the 2023-2024 legislative session proposed that CEC develop and implement a compliance tracking system like what has been proposed by CEC. Therefore, the Legislature elected not to give CEC authority to develop a data collection system for the purpose of compliance, which this RFI proposes to do through regulatory action.

SB1414-2016 added PRC Section 25402.12 and granted CEC the authority to “adopt regulations to increase compliance with permitting and inspection requirements for central air-conditioning and heat pumps.” This authority is limited to central-air conditioning and heat pumps and does not include multi- or mini-split systems, gas-fired and electric resistance space heating equipment, and all water heaters.

## Data to be Reported

PRC Section 25320 grants the CEC limited authority to manage a data collection system to “develop the policy reports and analyses required by Sections 25301 to 25307, inclusive, the energy shortage contingency planning efforts in Chapter 8 (commencing with Section 25700), and to support other duties of the commission.” Rheem understands that “other duties of the commission” does not give CEC the authority to collect unlimited data at will, but that the data must be tied to duties expressly approved by the Legislature. As discussed above, the duties expressly approved by the Legislature include the development of the IEPR and adopting regulations to increase compliance with permitting and inspection requirements for central air-conditioning and heat pumps *only*.

PRC Section 25320 *recommends* aligning data collection timing with the IEPR schedule, to eliminate unneeded and duplicative data submittals, and to consider the burdens on stakeholders. The IEPR is required to be published every 2 years and is regularly updated annually. The proposed quarterly reporting requirement is misaligned with the IEPR timeline and Rheem recommends annual reporting. In addition, more frequent reporting will not improve the energy forecasts as the bulk of the energy-using equipment is already installed. The proposal requires the submission of largely the exact same data by multiple stakeholders, this is duplicative. Further, this level of granularity is not needed for the development of the IEPR.

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<sup>2</sup> Failed SB795: [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240SB795](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB795)



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PRC Section 25320 also *requires* the CEC to require stakeholders “to submit only information that is necessary to the development of the IEPR” and “shall obtain data from market participants using submissions consistent with their accounting records.” Rheem notes that make, brand, model number, serial number, and purchasing entity information are not necessary information to the development of the IEPR. Rather, product type, capacity, efficiency, and total shipments into California would be useful to the energy forecasts within the IEPR. Rheem questions whether stakeholders at each step in the supply chain will have access to the required information consistent with their existing accounting records. Of particular concern are serial, SOS, and CSLB numbers.

CEC is also required to “weigh the burden of compliance on industry participants and energy consumers against the benefit of participant-provided data for the public interest.” CEC assumed an accountant would perform this data submission, but the salary of the employee at Rheem who would perform this data collection is more in line with a lawyer.<sup>3</sup> Further, this information will need to be collected from multiple business units, so CEC has either underestimated the time needed or the number of employees. For many stakeholders, an update to the accounting systems will be necessary. This update will be prohibitively expensive for many stakeholders. The CEC has not weighed the benefit for the public interest, especially in terms of their limited authority as discussed above.

The stated goal in the First RFI is “determination of the numbers and types of building-installed space heating, space conditioning, and water heating devices that are sold, installed and delivered within California.” As CEC’s authority only pertains to the development of the IEPR energy forecasts and central air-conditioning and heat pump equipment permits, CEC can only request data on equipment that is installed. If this proposal proceeds, Rheem recommends that aggregated data be provided by manufacturers for space conditioning and water heating equipment, based on our best estimate of shipments into California, and that sales of central air-conditioning and heat pump equipment to licensed contractors are reported to CEC. Rheem notes, and as CEC understands, not all equipment shipped to California stays in the state, and equipment may enter the state without Rheem’s knowledge after entering the supply chain. As such, good faith estimates should not be penalized, and this allowance should be codified. PRC Section 25302(d) states that governmental agencies must make a “good faith effort” to provide data, this same accommodation should be given to all stakeholders.

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<sup>3</sup> As reported in the Occupational Employment and Wage Statistics Query System for California:  
<https://data.bls.gov/oes/#/area/0600000>



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Section 1396.1(c) includes the phrases “serving California” and “doing business in California,” while Section 1396.4(a) includes the phrase “into or within California.” To comply with the language in 1396.1(c), Rheem would have to supply data for all sales of US compliant product as the purchasing entity may or may not “serve” California. This is clearly beyond the authority of the CEC and may be beyond the authority of the Legislature to grant this authority to the CEC. Rheem requests clarification that Section 1396.1(c) is not meant to require data collection for transactions occurring outside of California and is only meant to alert stakeholders that may not be located within California that they are subject to this data collection if they do business in California. The language in section 1396.4(a) is more straightforward and only requires sales to businesses within California to be reported. Rheem understands this section only requires data to be submitted when the billing address is in California.

## **Confidentiality and the Dissemination of Information**

PRC Section 25322 sets out the confidentiality requirements of the data collection system. Rheem appreciates the CEC explicitly stating in 1396.5(a) that the data collected will be treated as confidential, which is in alignment with PRC Section 25322(a)(2). However, PRC Section 25322(b) provides procedures for the dissemination of confidential information outside of the CEC, which includes other governmental agencies. This procedure can be initiated by anyone, and the CEC has the authority to rule on the request. Rheem strongly recommends that the minimum criteria which CEC will use to evaluate such a request be codified. Rheem understands that other governmental agencies will need to request confidential information from the CEC and the original submitters will have an opportunity to seek judicial review. This has the potential to create a significant judicial burden on stakeholders, and due to monetary constraints, particularly on many small businesses, may unwillingly have confidential information shared.

PRC Section 25322(d) establishes further guardrails on how the CEC can use confidential information, including confidential data disclosure agreements, “need to know” information segmentation, and computer security. Rheem notes that limiting the confidential information collected by the CEC is the best way to ensure confidential information is not leaked.

Rheem understands CEC’s authority to collect space conditioning and water heating data to be limited to the energy forecasting analysis with the IEPR. Other governmental agencies must rely upon the IEPR and are required to submit data to CEC. The authority for CEC to share confidential information with other government agencies is not granted in the



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Statute. The CEC can tailor the analysis within the IEPR to evaluate the programs established by other government agencies. Rheem encourages this as the CEC can provide third-party validation and oversight of other governmental agencies. Further, this will allow stakeholders to more meaningfully comment on these programs.

## **Title 20 Scope and Definitions**

Proposed Section 1396.1(b) adds reporting requirements to stakeholders that sell “equipment within 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 as defined in Title 20, Division 2, Chapter 4, Article 4, Section 1602.” Unfortunately, there appears to be misalignment between the Scope and Definitions for air conditioning and heat pump equipment.

Section 1601(b) explicitly includes room air-conditioning heat pumps, but no corresponding definition exists within Section 1602.

Section 1601(c) explicitly includes “central air conditioners,” which are further described as unitary air conditioners and heat pumps. This scope inclusion aligns with the “central air conditioner,” “central heat,” “unitary air conditioner,” and “unitary heat pump” definitions. Notably, “commercial package air-conditioning and heating equipment,” “multi-head mini-split system,” “multiple-circuit (or multi-circuit) system,” “multiple-split (or multi-split) system,” “unitary dedicated outdoor air system (DOAS),” “variable refrigerant flow (VRF) multi-split air conditioner,” “variable refrigerant flow (VRF) multi-split heat pump,” and “variable refrigerant flow (VRF) system” are defined but not included within the Title 20 scope. Rheem requests clarification on whether equipment types not included within the Scope of Title 20 are subject to the other requirements with Article 4 and whether this equipment is in scope of the data collection effort proposed in this RFI.

## **CEC Questions**

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

Rheem understands that only sales to purchasing entities located within California are subject to this reporting requirement. Meaning the first submission to the CEC for a given unit may not come from a manufacturer. If this is not the intent, then clarification is needed.



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

As discussed above, the granularity of this data collection is outside of CEC's authority for all products except for central air conditioners and heat pumps. All other equipment should be excepted.

CEC may establish a data collection program for other equipment types, but make, model, brand, serial number, and purchasing entity information are not appropriate to collect for the analyses in the IEPR.

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

No comment

**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)?**

Rheem recommends adding a definition for "purchasing entity" as this phrase is used in 1396.4(5-6) and should also be used in (4). "Purchasing entity" should be limited to businesses and licensed contractors. Private users should not have their name or address disclosed to the CEC. This is personal identifiable information, and the private user must consent to this information being shared.

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

As discussed above, the employee performing this data collection has a salary more in line with that of a lawyer. Also, the level of risk associated with this data collection effort, from CEC enforcement or enforcement of other governmental agencies, will necessitate review of the data collection. Finally, the data to be collected is not all available during the normal accounting process, so new systems and procedures will need to be implemented. This may be cost prohibitive to stakeholders throughout the supply chain.

**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?**

No further comment.



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

As discussed above, quarterly reporting is not necessary for the development of the IEPR. The IEPR is generally updated annually, so annual reporting minimizes the burden on stakeholders and aligns with the recommendations with the Statute.

**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?**

No comment.

**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 most effective to leverage towards programmatic goals, and why?**

Per-unit data and model number information are not required to perform the IEPR analyses, so should not be required.

Per-unit data may be collected for central air conditioning and heat pumps if used within the permitting program required by SB1414-2016. Rheem requests clarification of whether this program has been set up.

**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?**

Shipment data should be aggregated to product category and limited subcategories (e.g., heat pump water heaters are a subcategory of electric storage water heaters). Clearly defined product characteristics should also be established (e.g., for water heaters, volume in 10-gal increments and energy use with baseline or high efficiency designations). Third-party submitters should also be able to submit this information to further protect confidential business information.

Rheem notes that the model number within the various certification databases may not match exactly with the model number on the individual unit as wildcards are often used to designate non-efficiency related features.



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

As discussed above, the CEC does not have authority to share confidential information outside of the CEC, including to other governmental agencies, unless the procedure at PRC Section 25322(b) is performed. Rheem recommends the CEC add the minimum criteria it will consider when evaluating whether to release confidential information outside of the CEC.

Rheem appreciates the opportunity to share this letter with CEC. Please do not hesitate to contact me directly if I can provide any further information or answer any additional questions.

Sincerely,

James Phillips  
Senior Regulatory Affairs Manager  
Rheem Manufacturing Company

cc: Allison Skidd, Joe Boros, Karen Meyers, Matthew Thornblad