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VIA Docket No. 24-OIR-03

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

Re: **Comments on Public Workshop and Request for Information (RFI) Space Conditioning and Water Heating Equipment Data Tracking Second RFI on Draft Express Terms**

Dear Commissioners and Staff:

We write on behalf of the Joint Committee on Energy and Environmental Policy, the Western States Council of Sheet Metal, Air, Rail, and Transportation Workers, and the California State Pipe Trades Council (collectively, "the Coalition") to provide comments on the Second Request for Information for Space Conditioning and Water Heating Equipment Data Tracking and the January 9, 2026 Public Workshop.[1]

The Coalition greatly appreciates the Commission's leadership in advancing a reporting framework for space heating, air conditioning, and water heating equipment that meaningfully addresses a longstanding informational gap. The requirements set forth in the draft Express Terms will play an important role in helping ensure high-quality installation, promoting compliance with Title 24 requirements, and increasing adherence to permitting and inspection obligations for air conditioning and heat pump installations. Proper installation and verification are critical to achieving the performance, safety, and efficiency benefits that these systems are designed to deliver.

[1] California Energy Commission, Notice of Public Workshop and Request for Information (RFI) Space Conditioning and Water Heating Equipment Data Tracking Second RFI on Draft Express Terms (Dec. 22, 2025).

Permit avoidance and improper installation remain pervasive barriers across the market.[2] These practices undermine code compliance, create public health and safety risks, and significantly reduce the State's ability to meet energy efficiency and greenhouse reduction goals.[3] Without reliable visibility into where and how equipment is installed, these barriers are difficult to address in a meaningful way.

Reporting requirements are a necessary tool to close this gap. Federal regulations already require sellers and contractors to retain and document detailed sales and installation information for central air-conditioners as part of normal business operations.[4] The proposed framework builds on these existing requirements by enabling digital cross-checking and more effective oversight, rather than creating new substantive obligations.

For these reasons, the Coalition supports the adoption of the reporting requirements as an important step in the right direction. We offer several recommendations to strengthen the framework and ensure it effectively addresses permit avoidance and improper installation while remaining practical and efficient for regulated entities.

- First, reporting requirements should not apply to upstream actors unless they are selling directly to installers.
- Second, the reporting requirement should be limited to central air conditioners, heat pumps, and water heaters.
- Third, installing contractors should be subject to reporting requirements, as they are best positioned to document installation details and compliance at the point of installation.
- Fourth, the regulations should clearly define "reporting entities" to ensure consistent understanding and avoid duplicative or missed reporting.
- Fifth, installation addresses should be reported instead of the billing address, which often does not reflect the actual location of installation.
- Sixth, data should be collected at the individual unit level to support accurate tracking and effective cross-checking.

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[2] Letter to California Energy Commission from Thomas A. Enslow, Adams Broadwell Joseph & Cardozo re: Request for Information (RFI) re Energy Data Collection Phase 3 – Space Conditioning and Water Heating Equipment Data Tracking (Docket 24-OIR-03) (Aug. 18, 2025) pp. 4-5, *available at* https://efiling.energy.ca.gov/GetDocument.aspx?tn=265664&DocumentContentId=102513.
[3] *Id*. at pp. 6-7.
[4] See 10 C.F.R. § 429.142(a).

- Seventh, appropriate safeguards already exist in state laws to protect against disclosure of personal information and trade secrets, and to ensure adequate cybersecurity.

Discussion of these recommendations is provided in response to the Commission's questions below.

I. RESPONSES TO QUESTIONS

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

The Coalition understands and supports the goal of improving visibility into product sales and use. That said, as currently drafted, the regulations reporting requirements extend more broadly than needed to achieve that goal.

The draft Express Terms would require reporting at every stage of the supply chain: from manufacturers to distributors, distributors to sellers, and sellers to contractors or private users. In practice, this captures a large volume of routine commercial transactions that do not relate to the areas of greatest regulatory interest. The most useful and actionable information is generated at the point of sale to contractors and private users, where the appliances are ultimately installed or put into service. Earlier transactions between manufacturers, distributors, and sellers occur entirely within the commercial supply chain and do not involve end use or installation. Requiring detailed reporting from these upstream transactions adds complexity without providing corresponding regulatory value.

Much of the information reported by manufacturers and distributors would either be duplicative of downstream reports or could already be derived from seller-level data. Collecting the same information at multiple points increases administrative burden and complexity for both the regulated parties and the Commission, without clearly improving traceability or oversight. A more focused reporting framework would allow regulators to receive clearer, more relevant data while avoiding unnecessary overlap.

To address issue, the Commission could make just three minor changes to the regulation's scope. First, the reporting requirements should only apply to businesses that directly sell equipment to contractors doing business in California and building owners or other end-users that install the equipment in California.

This targeted approach would better align the regulation with its intended purpose, reduce unnecessary burden, and improve the overall quality and useability of the reported information.

Second, the reporting requirements should focus on central air conditioners because doing so is the most cost-effective way "to increase compliance with permitting and inspection requirements for central air-conditioning and heat pumps, and associated sales and installations."[5] Federal regulations already require that relevant information be retained for central air-conditioning equipment.[6] As a result, the additional costs, administrative, and compliance burdens are minimal. In addition, although there is no comparable federal recordkeeping requirement for heat pumps or water heaters, it is appropriate to retain these equipment categories because the Commission has identified them as a priority.

Third, the draft Express Terms does not require contractors to document and report information at the time of installation, but this requirement should be added. Contractors are best positioned to confirm when and where equipment is installed, as well as whether permitting and acceptance testing requirements are met. This information is typically documented as part of the normal installation and compliance practices, and requiring its reporting at the time of installation would not create a new or burdensome obligation. Adding this requirement would improve data accuracy, support effective digital cross-checking, and strengthen the overall integrity of the reporting framework by aligning documentation responsibilities with parties directly responsible for installation.

To effectuate these changes, we recommend that the Commission revise subsection (b) of Section 1396.1 as follows:

> 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 the Federal Code of Regulations, Title 10, Chapter II, Subchapter D, Part 429, Subpart C, Section 429.142(a) as defined in Title 10, Chapter II, Subchapter D, Part 430, Section 430.2, and California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, Section 1601~~(b),~~ (c)~~, (e),~~ and (f), excluding air filters, ~~and~~ as defined in Title 20, Division 2, Chapter 4, Article 4, Section 1602 to contractors,

[5] Pub. Res. Code § 25402.12(c).
[6] 10 C.F.R. § 429.142(a).

building owners or private users in California, including contractors located outside of California that perform work or otherwise do business in California.

The Commission should also revise subsection (c) of Section 1396.1 as follows:

The reporting requirements of this Article shall apply to contractors that install equipment within the scope of the Federal Code of Regulations, Title 10, Chapter II, Subchapter D, Part 429, Subpart C, Section 429.142(a) as defined in Title 10, Chapter II, Subchapter D, Part 430, Section 430.2, and California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, Sections 1601(c) and (f), excluding air filters, as defined in Title 20, Division 2, Chapter 4, Article 4, Section 1602 in California. ~~sales occurring at each step of the supply chain, including but not limited to sales from equipment manufacturers to distributors serving California, sales from distributors to other California sellers, sales to installers, including but not limited to contractors, located in or doing business in California, and sales to private users of equipment located in California.~~

Finally, the Commission should add subsection (b) to Section 1396.4 to state:

(b) Contractors shall submit, in their quarterly report, the following data for each unit of space heating, air conditioning, and water heating equipment installed within California during the reporting period:

(1) Manufacturer name for each unit;
(2) Model number of each unit;
(3) Serial number of each unit;
(4) Installation address of the unit (including street address, city, state and zip code);
(5) Date of installation;
(6) Party from whom the unit was purchased (including person's name, full address, and phone number)
(7) CLSB-issued license number;
(8) Building permit number for installation; and
(9) Certification signed under penalty of perjury that any applicable field verification and diagnostic testing and/or acceptance testing requirements were completed and documented and name of ECC-

Provider and/or Acceptance Testing Technician Certification Provider that provided the completed documents.

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

Room and terminal units as well as space heaters and boilers should be excluded from the reporting requirements because relevant information for this equipment is not already collected under existing federal requirements and would not meaningfully improve compliance efforts.[7] However, to the extent the Commission intends to keep the current scope, a uniform reporting obligation across all covered equipment is necessary to ensure clarity, support efficient administration, and enable effective digital cross-checking.

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

The definitions provided in the draft Express Terms are understandable and clearly articulated. They provide sufficient clarity for regulated parties to interpret and apply the requirements consistently. However, the definition of "receiving entity" appears to be a superfluous addition as it is not used elsewhere in the draft Express Terms.

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

The Commission should define "reporting entity" in the regulations. Providing a clear definition would improve clarity and consistency by specifying which parties are responsible for submitting reports under different circumstances. A defined term would reduce confusion, help avoid duplicative or missed reporting, and support more efficient administration and compliance. The Coalition recommends the following definition:

(8) "Reporting entity" means a manufacturer, private brand packager, reassembler, distributor, retailer or other business who sells any equipment subject to the reporting requirements of this Article to a

[7] 10 C.F.R. § 429.142(a).

contractor, building owner, or private user for installation within California.

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

The Coalition appreciates staff's effort to quantify the potential costs associated with the proposed reporting requirements, and we do not take issue with the general analytical approach. However, the resulting cost estimates appear overly conservative, largely because they assume that all required reports will be prepared manually.

The information contemplated by the reporting requirements is already collected and maintained as part of normal business operations. Manufacturers, distributors, and sellers routinely generate this data through existing accounting, inventory management, enterprise resource planning, and point-of-sale systems. As a result, compliance would generally involve extracting and formatting existing data, rather than creating new information from scratch.

The estimate is based on a labor-intensive, manual reporting process for each reporting period. While some manual effort may be required during initial setup or transition, it is unlikely that reporting will remain manual over time. In practice, regulated entities are likely to automate data extraction and reporting once requirements are finalized, integrate reporting functions into existing systems, and use standardized templates or batch uploads to reduce recurring labor. Assuming fully manual preparation for all reports overstates both labor hours and long-term compliance costs.

A more balanced estimate would distinguish between initial implementation costs, which may involve some manual effort, and ongoing compliance costs, which are likely to decline as reporting processes become automated. Recognizing the role of existing data systems and technological efficiencies would result in cost estimates that more accurately reflect real-world business practices.

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

There are no specific adverse consequences associated with quarterly reporting beyond the estimated costs, which would simply shift under a different reporting period rather than be avoided. Quarterly reporting does not change the nature of the information collected, does not introduce new compliance obligations, and does not create independent operational or business impacts. The reporting cadence affects only the timing of submission, not the underlying burden, and any costs associated with quarterly reporting would be comparable under alternative reporting schedules. As a result, quarterly reporting represents a reasonable and administratively efficient approach without additional negative consequences.

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

To ensure the reporting requirements produce meaningful and useable information, the regulations should collect the installation address, rather than relying on billing or purchaser address information. In many cases, the billing address associated with the transaction does not correspond to where the product is ultimately installed or used. This is especially common when contractors purchase products for installation at multiple job sites, companies centralize billing at a headquarters or administrative office, or purchases are made on behalf of third parties or property owners. Relying on billing address data can obscure the actual location of installation and limit the usefulness of the reported information.

Installation address information is already commonly collected as part of standard business practices. Sellers frequently capture jobsite location information for order fulfillment and logistics, installation scheduling and coordination, and warranty, service, or inspection purposes. Because this information is already maintained in many existing systems, requiring its reporting would not represent a significant additional burden.

Collecting this information would provide a more accurate picture of where products are installed or used, improve the ability to assess geographic trends and impacts, and reduce ambiguity associated with centralized billing or purchasing

arrangements. The additional clarity would enhance the overall value of the reporting program without materially increasing compliance costs.

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?

The Commission should collect per-unit data on individual units, as this approach would be both practical and most effective in advancing the reporting goals. Per-unit information (such as equipment identifiers, installation location, and installation date) is already captured in the normal course of sales, installation, permitting, and acceptance testing, and therefore does not impose a meaningful additional burden.

Collecting data at the individual unit level would significantly improve accuracy, allow for reliable digital cross-checking across databases, and enable the Commission to identify noncompliant installations more efficiently than aggregate reporting. In contrast, aggregated data would limit traceability and reduce the usefulness of the reporting system. Per-unit reporting provides the level of precision necessary for effective oversight while relying on information that is already routinely documented.

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?

The serial number provides all the necessary equipment data. Collecting additional descriptive data about equipment is unnecessary and would not meaningfully advance the reporting goals. The reporting framework is intended to support compliance verification and digital cross-checking, which can be effectively achieved using core identifiers and installation information. Detailed descriptive attributes do not improve traceability or enforcement outcomes and would add complexity without corresponding benefit. Limiting data collection to information that directly supports the reporting objectives will improve data quality, reduce unnecessary reporting, and keep the system focused on its intended purpose.

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

The Coalition recognizes the importance of protecting sensitive business information and appreciates the attention given to data confidentiality. However, no additional confidentiality language is necessary in the regulation because existing public records and public database statutory provisions already provide appropriate safeguards.

State law expressly requires that electronic databases maintained by state agencies protect personal information, including names and addresses.[8] This information is not subject to public disclosure and must be handled in accordance with established privacy safeguards. As a result, any personal information collected through the reporting requirements would already be protected by law.

State law also exempts trade secrets and confidential business information, including aggregate sales data, from disclosure.[9] These protections ensure that commercially sensitive information submitted by regulated entities cannot be released in a manner that would harm competitive interests. Because these exemptions apply by statute, they provide stronger and more durable protection than duplicative regulatory language.

In addition to disclosure limitations, state law requires agencies to implement and maintain appropriate cybersecurity measures to protect electronic databases from unauthorized access, breaches, or misuse.[10] These requirements apply to all agency-maintained systems that govern the handling of any data collected under regulation.

Finally, it is important to note that most of the information collected under the regulations is already required to be collected pursuant to federal law and is therefore already publicly available or subject to public disclosure through existing reporting frameworks.[11] Because this information is already collected, the incremental burden of reporting is minimal. The databases contemplated by the

[8] Gov. Code § 7927.400 ("Nothing in this division requires the disclosure of records that relate to electronically collected personal information, as defined in Section 11015.5, that is received, collected, or compiled by a state agency."); Gov. Code § 7927.700
[9] Gov. Code § 7927.605.
[10] Gov. Code §§ 8592.30-8592.45.
[11] See 10 C.F.R. § 429.142(a).

regulations are intended to enable digital cross-checking of existing information, allowing agencies to identify instances where equipment may have been installed without complying with permitting or acceptance testing requirements.

II. CONCLUSION

The draft Express Terms represent an important step toward addressing a longstanding informational gap that has hindered effective enforcement of permitting, inspection and Title 24 requirements for air conditioning and heat pump installations. By leveraging information that is already collected under existing laws, the proposed reporting framework can improve compliance, reduce permit avoidance, and support high-quality installations without imposing unnecessary burdens. With the targeted refinements recommended above, the regulations can more effectively advance public health protections, energy efficiency, and greenhouse gas reduction goals while remaining practical and efficient for regulated entities.

Thank you for your consideration of these comments.

Sincerely,

Andrew J. Graf

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