

DOCKETED	
Docket Number:	24-OIR-03
Project Title:	Energy Data Collection - Phase 3
TN #:	271318
Document Title:	Heating Air-Conditioning Refrigeration Distributor International Comments - HARDI, Alternative Proposal - CEC - Energy Data Collection Phase 3 - Third RFI
Description:	N/A
Filer:	System
Organization:	Heating Air-Conditioning Refrigeration Distributor International
Submitter Role:	Public
Submission Date:	7/8/2026 12:08:23 PM
Docketed Date:	7/8/2026

*Comment Received From: Heating Air-Conditioning Refrigeration Distributor
International*

Submitted On: 7/8/2026

Docket Number: 24-OIR-03

**HARDI, Alternative Proposal - CEC - Energy Data Collection Phase
3 - Third RFI**

Additional submitted attachment is included below.

July 8, 2026

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

RE: California Energy Commission, Energy Data Collection – Phase 3, Docket No. 24-OIR-03, Public Workshop: Third Data Tracking RFI and Draft Express Terms

Dear Commissioner McAllister:

Heating, Air-conditioning, & Refrigeration Distributors International (HARDI) appreciates the opportunity to respond to the California Energy Commission's (CEC or Commission) Third Data Tracking Request for Information (RFI) and Draft Express Terms in Docket No. 24-OIR-03. HARDI understands the CEC's need for energy data objectives, including Integrated Energy Policy Report (IEPR) forecasting, electrification tracking, incentive program design and evaluation, and regional permit compliance awareness. HARDI does not oppose useful, appropriately bounded data reporting. HARDI opposes direct state collection of distributor customer lists, contractor identities, seller-level market share, OEM or brand information, model-level sales information, and transaction-level sales records. HARDI believes aggregated and anonymized data can satisfy CEC's policy needs.

HARDI is a trade association comprised of more than 1,150 member companies, including more than 560 U.S.-based wholesale distribution companies. HARDI's distributor members include California locations serving heating, ventilation, air conditioning, refrigeration, and water-heating contractors and technicians. A substantial majority of HARDI distributor members are small businesses. These businesses have strong confidentiality interests in customer relationships, contractor account lists, branch-level sales information, supplier relationships, and market-share information.

HARDI submits two alternatives for CEC's consideration. The primary alternative is an independent third-party aggregator model. Under that model, reporting entities would submit data on covered equipment sales to a CEC-approved aggregator operating under a CEC contract or approval agreement. The aggregator would classify, validate, aggregate, suppress, and anonymize the data. CEC would receive only aggregated county-level outputs, participation and coverage information, confidence intervals where appropriate, and certifications. CEC would not receive customer names, contractor identities, buyer addresses, contractor license numbers, seller-level sales volumes, brand/model data, transaction-level records, or distributor ERP data.

As a secondary alternative, if CEC is not prepared to adopt a mandatory aggregator structure, CEC should adopt an approved-aggregator safe harbor. Under that approach, reporting entities that submit qualifying data through HARDI's Unitary Market Intelligence Program (UMIP) or another CEC-approved independent aggregator would be deemed to have satisfied the corresponding CEC reporting obligation, provided the approved aggregator submits the required aggregate outputs, participation information, and certifications to CEC.

I. Executive Summary

CEC's revised Draft Express Terms reflect meaningful improvements over earlier concepts, including a narrower focus on residential air-conditioning and water-heating equipment, annual reporting, the removal of serial-number reporting, and an effort to address confidentiality. But the current draft still requires direct reporting to CEC of commercially sensitive and unnecessary information, including make or brand, model number, buyer name, buyer address, CSLB or FTB identifiers, and units sold to each buyer. That structure is more invasive than necessary to achieve CEC's stated energy policy objectives.

HARDI recommends that CEC revise the Draft Express Terms to follow five core principles:

1. Use aggregate and proxy data where it satisfies CEC's information needs.
2. Keep raw customer-, contractor-, brand-, model-, seller-level-, and transaction-level data out of CEC custody.
3. Use a CEC-approved independent aggregator to receive, standardize, classify, validate, aggregate, and suppress underlying data.
4. Limit CEC-facing reports to county-level aggregate units by equipment category, fuel type, efficiency tier, refrigerant class, and reporting period, with participation and coverage metrics.
5. Use aggregated county-level pattern analysis for regional permit-compliance awareness, not customer surveillance or CEC-led contractor enforcement.

At this RFI stage, HARDI encourages the CEC to review the authorities cited in the RFI that favor a data collection design that is necessary, cost-effective, non-duplicative, burden-conscious, confidentiality-protective, and capable of using aggregate or proxy data where sufficient. Public Resources Code section 25320 is especially important. That statute directs CEC to manage data collection for energy-policy purposes and reflects legislative principles of efficiency, elimination of unnecessary or duplicative submissions, consideration of stakeholder burden, collection of only necessary information, and reliance on estimates, proxies, or existing data where they satisfy the Commission's needs. HARDI's alternative is designed around those principles.

II. Response to CEC RFI Questions

1. Scope of covered sales

CEC asks whether the proposed language is sufficiently clear and specific in communicating which sales must be reported.

The revised scope is clearer than prior drafts because it focuses on sales to contractors or installing entities. However, the Draft Express Terms should define a "covered sale" more precisely. HARDI recommends limiting covered sales to the sale or distribution of covered residential equipment to an installing contractor, an employee of an installing contractor, or a person acting on behalf of an installing contractor for installation in California. The rule should exclude returns, canceled orders, inter-branch transfers, wholesale-to-wholesale transactions, parts, accessories, and equipment not intended for installation in California. The county should be assigned using the ship-to county because the installation county is not reliably known at the point of sale.

2. Equipment categories to include or exclude

CEC asks whether any other equipment categories should be included or excluded, and on what basis.

The mandatory scope should remain aligned with the RFI: residential air-conditioning and water-heating equipment, including heat-pump equipment. HARDI does not recommend adding commercial equipment in this rulemaking unless CEC separately notices, justifies, and analyzes the burden of that expansion. Existing UMIP data may include broader HVACR data and could support voluntary pilot analysis, but the mandatory regulatory scope should not expand beyond the RFI without a separate record. HARDI encourages the CEC to work with other agencies pursuing similar reporting requirements and align on equipment types, including furnace sales mentioned in California Air Resources Board proposals on the sales of emissive and non-emissive equipment.

3. Definitions

CEC asks whether the proposed definitions are suitable and appropriate as written.

HARDI recommends retaining CEC's existing definitions wherever possible and adding only the minimum additional definitions needed to implement the aggregate reporting model. HARDI does not propose substantive changes to CEC's definitions of CSLB, Commission, Executive Director, Contractor, Doing business, Equipment, Hydronic, Non-central air conditioner, Non-central air conditioning heat pump, Outdoor unit, Selling, or the federal equipment terms. HARDI recommends adding definitions for the following: Commission-approved independent data aggregator, aggregate report, aggregate cell, AHRI Directory, covered equipment, covered equipment category,

covered sale, coverage estimate, fuel type, efficiency tier, refrigerant class, reporting entity, ship-to county, suppression threshold, transaction-level data, and CEC-facing report.

4. Additional terms

CEC asks whether additional terms used in the Scope or subsequent sections should be defined.

Yes. Terms such as "masked," "aggregated," "anonymized," "county-level," "ship-to county," "reporting entity," "covered sale," "covered equipment," "suppression threshold," "coverage estimate," and "confidence interval" should be defined or operationalized in the regulation or in Commission-approved specifications. Without these definitions, the data-access provisions will not provide a sufficiently high bar against reverse engineering.

5. Effective date and reporting period

CEC asks whether the proposed effective date provides sufficient lead time.

CEC should not require reporting until the first full calendar year beginning at least 12 months after CEC approves or contracts with the independent aggregator and issues final reporting specifications. If CEC proceeds with calendar year 2027, that date is workable only if final specifications, data formats, funding, aggregator approval, and participation obligations are resolved sufficiently in advance. HARDI also recommends a non-penalty first reporting year or pilot period to validate data transfer, classification, suppression, and correction procedures.

6. Reporting costs and administrative burden

CEC asks for specific cost data to inform staff cost estimates.

HARDI can supplement the record with member cost estimates, but CEC should recognize the cost categories created by direct customer-level reporting: ERP extraction and mapping, customer and contractor classification, legal review, confidentiality review, quality control, staff training, executive certification, correction workflows, and customer-relations risk. A CEC-funded aggregator materially reduces these costs by allowing standardized submissions, accepting existing ERP extracts where available, and transmitting only aggregate outputs to CEC. Because CEC seeks data for state energy policy purposes, CEC should fund the approved aggregator.

7. Model family versus model number

CEC asks if model-family groupings could be used instead of specific model numbers.

CEC should not receive model numbers. Brand, model, SKU, and AHRI directory information may be necessary for the aggregator to classify equipment accurately into

neutral categories, including equipment category, fuel type, efficiency tier, and refrigerant class. But those identifiers should remain with the aggregator and should not be transmitted to CEC. If CEC proceeds with any direct reporting pathway, model-family or neutral categorical reporting should replace model-number reporting.

CEC should also recognize a technical limitation with split-system efficiency reporting. For split-system air conditioners and heat pumps, the outdoor unit alone does not determine the installed SEER2, EER2, or HSPF2 rating. Installed efficiency depends on the final matched combination of the outdoor unit, indoor coil or air handler, furnace or blower configuration, and other system components. A single outdoor unit may be part of multiple certified AHRI combinations with different efficiency ratings.

Distributor sales records generally do not identify the final installed matched system. In HARDI's experience with unitary market reporting, distributors can often provide product-level sales data, but they generally do not track whether a particular outdoor unit was ultimately installed with a specific indoor unit or AHRI-rated combination. Components may be purchased on different invoices, from different branches, at different times, or from different suppliers. Contractors may also stock equipment or make field substitutions after the distributor sale.

As a result, requiring distributors to report installed matched-system efficiency would create a significant new reporting burden and would require information that distributors do not routinely possess. Conversely, collecting only outdoor-unit model information may create the appearance of precision without accurately measuring installed efficiency. CEC should therefore distinguish between equipment-flow data and installed-efficiency data. If CEC uses outdoor-unit information, it should treat it only as a proxy and avoid requiring customer-level, contractor-level, brand/model-level, or transaction-level reporting that does not reliably identify the installed system's efficiency.

8. Data to be reported under subsection 1396.4(b)

CEC asks whether subsection 1396.4(b) is sufficiently clear and specific.

No. The current draft remains built around buyer-level and model-level reporting. HARDI recommends rewriting section 1396.4 to distinguish between data submitted to the approved aggregator and data reported to CEC. The aggregator may receive the minimum fields needed to classify, validate, and aggregate data. CEC should receive only aggregated outputs and participation/coverage information. [Appendix A](#) shows HARDI's recommended rewrite of section 1396.4, and the rest of the rule as a redline-style revision to the draft express terms.

9. Submitter self-identification

CEC asks whether self-identification language is sufficiently clear and specific.

CEC may receive reporting-entity names, headquarters addresses, and contact names, email addresses, and phone numbers to verify participation and enforce reporting obligations. However, CEC should not receive reporting-entity names attached to sales volumes or market-share information. The participation list should be separated from aggregated sales outputs.

10. Masked, aggregated, or anonymized records

CEC asks whether the language relating to masked, aggregated, or anonymized records is sufficiently clear and specific.

No. The final rule should contain explicit suppression rules. No CEC-facing data cell should be disclosed unless at least three independent reporting companies contribute to that cell. If a county-level cell does not meet the threshold, the aggregator should suppress it, combine it with a broader equipment category, combine it with a broader reporting period, or aggregate it into a larger geography. ZIP-code reporting should not be permitted because too many ZIP-code-level cells would fail this standard. CEC should also adopt a dominance rule to prevent disclosure when a single reporting entity accounts for a disproportionate share of a cell.

11. Data-access standard

CEC asks whether the data-access provision establishes an appropriately high bar for data access.

No. The current data-access structure should be narrowed. CEC should not receive non-anonymized, customer-level, contractor-level, seller-level, brand/model, or transaction-level sales data. Interagency sharing should be limited to aggregated and suppressed outputs for energy policy, energy forecasting, incentive programs, building decarbonization, and regional permit compliance awareness. CEC should not use this rulemaking to create a contractor-specific enforcement database. To the extent CSLB has independent authority to obtain contractor-specific records in an enforcement matter, that authority should remain separate from this CEC energy-data collection.

III. Statutory Design Principles Support

Aggregated Reporting

HARDI recognizes that CEC has cited statutory provisions authorizing energy data collection and related regulatory activity. CEC should use this RFI process to design a rule that fits the limiting principles in the statutes CEC cites.

Public Resources Code section 25320 supports a data collection design that obtains the information needed for energy-policy analysis most cost-effectively and efficiently, eliminates unnecessary or duplicative submissions, considers stakeholder burdens, and limits mandatory reporting to information necessary for CEC's energy-policy work.

Section 25320 also supports reliance on estimates, proxies, and otherwise available data where those sources satisfy CEC's information needs. HARDI's proposed aggregate reporting model aligns better with those principles than direct state collection of customer- and transaction-level distributor data.

Public Resources Code section 25218 supports use of a CEC-approved or CEC-contracted independent aggregator for professional data services, provided CEC retains final authority over reporting specifications, approval criteria, confidentiality standards, audit scope, and enforcement. Public Resources Code section 25322 supports confidentiality and masking of information that could result in unfair competitive disadvantage, but confidentiality after submission is not a substitute for data minimization before submission. Public Resources Code section 25224 supports interagency exchange of relevant energy information to avoid duplication, but that exchange should be limited to aggregate energy-policy and regional permit-awareness outputs, not raw contractor or customer records.

Accordingly, CEC should not require direct disclosure of buyer names, customer addresses, CSLB or FTB identifiers, brand/model information, seller-level sales volumes, or transaction-level records unless CEC first determines, on a field-by-field basis, that aggregate or proxy data cannot satisfy CEC's stated purposes. HARDI's proposal provides CEC with the energy policy data it needs without creating a state repository of confidential distributor-customer relationships.

IV. Primary Alternative: CEC-Approved Independent Aggregator

HARDI's primary proposal is mandatory reporting to a CEC-approved independent aggregator. The aggregator should be selected or approved by CEC and operate under a CEC contract or approval agreement. HARDI's UMIP is an obvious candidate because it already collects and aggregates detailed HVACR market data, including ERP-based submissions, county-level information, AHRI-related product identifiers, SKU/model information, efficiency information, and limited water heater data. However, HARDI recognizes that the regulation should establish neutral approval criteria and should not hard-code a specific vendor or association into the regulatory text.

CEC should fund the approved aggregator because it is seeking the data for state energy policy purposes. Requiring reporting entities to pay a private entity selected or approved by the CEC would add to the burden and undermine the goal of a less burdensome reporting pathway.

A. Reporting obligation and enforcement

Reporting entities, including distributors, retailers, online sellers, and non-HARDI sellers within the regulatory scope, would be required to submit data on covered sales to the approved aggregator. If a distributor, retailer, online seller, or other covered reporting entity refuses to report, CEC may use its statutory enforcement authority for non-compliance. The aggregator should not impose penalties or adjudicate violations. The aggregator may notify CEC of non-reporting or materially incomplete reporting, and CEC should retain all enforcement decisions.

B. Data submitted to the aggregator

Reporting entities should submit the data necessary for the aggregator to classify, validate, aggregate, and suppress covered equipment sales. UMIP already receives highly detailed data from some participants, including ERP extracts. The CEC compliance program should allow use of existing submission infrastructure where available, but the regulation should not require buyer names, customer account lists, or transaction-level details to be transmitted to CEC.

For CEC purposes, the necessary aggregator-side fields are expected to include: reporting entity identifier; sale month or reporting month; ship-to address or ship-to county; covered equipment category; fuel type; efficiency metric or tier; refrigerant class; units sold; and product identifiers needed for classification, such as AHRI directory number, SKU, brand, or model. Brand/model information is needed by the aggregator to determine or verify AHRI directory information and neutral equipment classifications. The aggregator can perform that classification without transmitting brand, model, SKU, or AHRI identifiers to CEC.

Returns, canceled orders, internal transfers, and other non-sale transactions should be excluded. Contractor stocking inventory and online sales should be assigned to the ship-to county because the installation county is not reliably known at the time of sale. Ship-to county is a reasonable proxy because covered equipment is generally not shipped a significant distance from the point of sale or delivery before installation.

C. Data CEC receives

CEC should receive only aggregated and suppressed outputs: units sold by county or combined geography, reporting month or reporting period, covered equipment category, fuel type, efficiency tier, and refrigerant class. CEC may also receive a list of reporting entities, headquarters addresses, contact names, contact emails, contact phone numbers, coverage estimates, confidence intervals where appropriate, correction notices, and certifications. CEC should not receive seller-level sales volumes or reporting-entity market share.

D. Market coverage

CEC can verify adequate market coverage through market estimates of the California market size, participation lists, coverage estimates, and confidence intervals, where appropriate. CEC should not require seller-level sales volumes to determine whether the dataset is sufficient for statewide and county-level energy policy analysis.

E. Aggregation thresholds and ZIP-code reporting

No CEC-facing data cell should be reported unless at least three independent reporting companies contribute to that cell. Where fewer than three companies contribute, or where a cell could otherwise reveal a participant's sales, customers, or market share, the aggregator should suppress or combine the cell. HARDI recommends rejecting ZIP-code reporting entirely because too many ZIP-code-level cells would fall below the minimum threshold. County-level reporting provides sufficient regional information and materially reduces the risk of reverse engineering.

F. Certification and corrections

Each reporting entity should certify that the data submitted to the aggregator meets the minimum reporting requirements and is true, accurate, and complete to the best of its knowledge after reasonable diligence. The aggregator should certify that it received the data, protected it, classified and aggregated it in accordance with CEC-approved specifications, applied the required suppression rules, and transmitted the aggregate report accurately to the best of its knowledge. If corrected data is submitted after the deadline or an error is identified, the aggregator should provide CEC with a corrected aggregate report and a general explanation of the correction category, such as late-submitted data, corrected classification, duplicate removal, or reporting-entity correction, without identifying the specific reporting entity's sales volumes, customers, brands, models, or transactions.

G. Audit

CEC should have audit rights sufficient to verify the reliability of aggregate reports without exposing confidential business information. CEC should be able to review the aggregator's methodology, classification rules, AHRI mapping process, validation procedures, participation list, correction logs, suppression decisions, aggregation controls, cybersecurity controls, and certifications. CEC should not access buyer names, contractor identities, customer account lists, seller-level sales volumes, transaction-level records, brand/model sales by seller, or underlying distributor ERP data. To control costs, the audit should be conducted by CEC unless CEC later demonstrates that a targeted independent audit is necessary.

H. Cybersecurity, confidentiality, and conflict controls

The approved aggregator should maintain commercially reasonable administrative, technical, and physical safeguards appropriate for the protection of confidential business information. As part of the application process, the aggregator should demonstrate which data security safeguards would be used to protect confidential business information.

The aggregator should also be subject to conflict-of-interest and data-use restrictions. Data submitted for CEC compliance should be firewalled from commercial, advocacy, sales, or member-service uses unless the reporting entity has separately authorized such use by agreement. Participation in a CEC reporting program should not require a company to participate in UMIP or to authorize use of its data in a non-CEC product. Where a company already participates in UMIP and has separately authorized the use of aggregated market intelligence, the same submission infrastructure may be used to avoid duplicative reporting.

V. Secondary Alternative: Approved Aggregator Safe Harbor

If CEC is not prepared to adopt a mandatory third-party reporting structure, it should, at a minimum, adopt an approved aggregator safe harbor. Under the safe harbor, a reporting entity that submits qualifying data to UMIP or another CEC-approved independent aggregator would be deemed to have satisfied the corresponding CEC reporting obligation. The aggregator would submit the CEC-approved aggregate outputs, participation information, coverage metrics, and certifications. This approach would immediately reduce direct reporting burdens and confidentiality risks while providing CEC with useful aggregate data. [Appendix C](#) shows the recommended safe harbor language HARDI believes the CEC should, at a minimum, add to the rule.

The safe harbor should be open to any qualified independent aggregator that meets CEC-approved standards for confidentiality, cybersecurity, auditability, aggregation, suppression, conflict of interest, and certification. This prevents the safe harbor from being limited to HARDI members and gives retailers, online sellers, and non-HARDI distributors a path to avoid direct customer-level reporting.

VI. Permit-Compliance Awareness

HARDI does not concede that CEC has independent authority in this proceeding to collect customer-level distributor sales data for contractor or permit enforcement. This RFI should not be used to create a contractor-specific enforcement database. To the extent CSLB has independent authority to obtain contractor-specific records in an enforcement matter, that authority should remain separate from CEC's energy-data collection.

Aggregated sales data should be used for regional permit-compliance awareness. County-level aggregate sales data can be compared to county-level permit activity to identify regions where under-permitting may be occurring. CSLB and local jurisdictions can then use their own records, outreach tools, education resources, and enforcement authorities to address those patterns. Equipment sales data cannot cure California's fragmented and inconsistent local permitting system. It can provide a useful analytic signal, but it should not be framed as a means of ensuring permit compliance or as a substitute for CSLB's own authority and process.

VII. Requested Revisions

HARDI requests that CEC revise the Draft Express Terms to:

1. Replace direct CEC reporting of buyer, contractor, brand, model, and transaction-level fields with reporting to a CEC-approved independent aggregator.
2. Limit CEC-facing reports to aggregated and suppressed outputs by county, reporting period, covered equipment category, fuel type, efficiency tier, and refrigerant class.
3. Permit the aggregator to use brand/model/SKU/AHRI information internally for classification without transmitting those identifiers to CEC.
4. Use the ship-to county as the geographic proxy and reject ZIP-code reporting.
5. Require suppression or a combination of any cell with fewer than three independent reporting companies, or where reverse engineering is reasonably possible.
6. Provide CEC with reporting-entity participation lists and contact information, but not sales volumes by reporting entity.
7. Limit interagency sharing to aggregate outputs for energy policy, forecasting, program design, building decarbonization, and regional permit compliance awareness.
8. Remove any language that allows CEC to contact distributors about specific contractors or to request contractor-specific sales records under this rulemaking. Contractor enforcement is within the purview of the CSLB.
9. IF CEC is unwilling to mandate a third-party aggregator, it should create a safe harbor for entities that report through UMIP or another approved independent aggregator.

HARDI appreciates the opportunity to provide this response and would welcome further discussion with CEC staff regarding implementation, aggregation thresholds, coverage estimates, and the potential use of existing UMIP aggregate data as a pilot dataset.

Sincerely,



Todd Titus

Director of State Government Affairs

Heating, Air-conditioning, & Refrigeration Distributors International

Appendix A

Redline-Style Revisions to Draft Express Terms (Primary Alternative)

Drafting convention: HARDI proposed deletions are shown in strikethrough. HARDI proposed additions are shown in bold underline. Unmarked text is retained from CEC's Draft Express Terms. This appendix shows material revisions; Appendix B provides a clean integrated version of the primary alternative.

Title 20, Division 2, Chapter 3, Article 6

Article 6. ~~Space Heating~~, Space Conditioning, and Water Heating Equipment Data Collection

§ 1396.1. Title and Scope.

(a) The reports described in this Article shall be known as the Data Collection Reports for ~~Space Heating~~, Space Conditioning, and Water Heating Equipment.

(b) ~~The reporting requirements of this Article shall apply to any entity:~~

The reporting requirements of this Article apply to any reporting entity that makes a covered sale of covered equipment in California, as those terms are defined in section 1396.2.

~~(1) selling, offering for sale, or otherwise distributing in California any of the equipment specified in 1396.1(c), and~~

~~(2) selling or otherwise distributing such equipment to contractors that are either located in or doing business in California.~~

(c) The reporting requirements of this Article shall apply to sales of the following residential equipment: central air conditioners, central air conditioning heat pumps, non-central air conditioners, non-central air conditioning heat pumps, storage water heaters, instantaneous water heaters, and heat pump water heaters, including but not limited to single-package, single-split, mini-split, multi-split, and hydronic equipment.

(1) For split system equipment, including single-split, mini-split and multi-split equipment, the reporting requirements of this Article shall apply only to the outdoor unit.

(d) A reporting entity shall satisfy this Article by submitting covered sale data to a Commission-approved independent data aggregator in accordance with Commission-approved reporting specifications. The Commission shall receive only the aggregate reports, participation information, coverage metrics, confidence intervals where appropriate, correction notices, certifications, and audit materials expressly authorized by this Article.

§ 1396.2. Rules of Construction and Definitions.

(a) Rules of Construction.

(1) Where the context requires, the singular includes the plural and the plural includes the singular.

(2) The use of “and” in a conjunctive position means that all elements in the provision must be complied with, or must exist to make the provision applicable. Where compliance with one or more elements suffices, or where existence of one or more elements make the provision applicable, “or” (rather than “and/or”) is used.

(b) Definitions. In this Article, the following definitions apply. If a term is not defined here, the applicable definition in California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, Section 1602 shall apply.

(1) "Aggregate cell" means a discrete combination of reporting period, county or combined geography, covered equipment category, fuel type, efficiency tier, refrigerant class, and any other Commission-approved reporting dimension.

(2) "Aggregate report" means a CEC-facing report submitted to the Commission by an approved aggregator that contains only aggregated and suppressed unit counts and the non-sales information expressly authorized by this Article.

(3) "AHRI Directory" means the Air-Conditioning, Heating, and Refrigeration Institute directory or a successor product-identification resource used by the approved aggregator to classify covered equipment into neutral reporting categories.

(4) "CEC-facing report" means an aggregate report, certification, coverage estimate, correction notice, audit material, or other material transmitted to or maintained by the Commission under this Article.

(5) "Commission-approved independent data aggregator" or "approved aggregator" means an entity approved by or under contract with the Commission to receive covered sale data from reporting entities solely for the purpose of validating, standardizing, classifying, aggregating, suppressing, and reporting non-identifying aggregate outputs under this Article. The approved aggregator shall be subject to Commission-approved confidentiality, cybersecurity, conflict-of-interest, data-use, audit, retention, and destruction requirements.

(6) "Covered equipment" means, for purposes of this Article, the residential equipment listed in section 1396.1(c).

(7) "Covered equipment category" means a Commission-approved neutral category used to classify covered equipment for aggregate reporting, such as central air conditioner, central air conditioning heat pump, non-central air

conditioner, non-central air conditioning heat pump, storage water heater, instantaneous water heater, or heat pump water heater.

(8) "Covered sale" means a sale or distribution of covered equipment to a contractor, an employee of a contractor, or a buyer acting on behalf of a contractor, including but not limited to a company purchasing equipment for installation by contractors under its employment, where the covered equipment is sold, offered for sale, distributed, or delivered for installation in California. Covered sale does not include returns, cancelled orders, warranty replacements not involving a new sale, inter-branch transfers, wholesale-to-wholesale transactions, parts, accessories, or equipment not intended for installation in California.

(9) "Coverage estimate" means an estimate, confidence interval, or other Commission-approved metric describing the approximate share of the relevant California market represented by the aggregate report without disclosing seller-level sales volumes or market share.

~~(1)-(10)~~ "CSLB" means the Contractors State License Board.

~~(2)-(11)~~ "Commission" means the State Energy Resources Conservation and Development Commission also known as the California Energy Commission.

(A) "Executive Director" means the executive director of the Commission.

~~(3)-(12)~~ "Contractor" has the meaning specified in California Business and Professions Code sections 7026, and 7026.1. A contractor is a "licensed contractor" when performing work while having an applicable CSLB-issued license in good standing. An "unlicensed contractor" is a contractor performing work without an applicable CSLB-issued license or the CSLB-issued license is not in good standing.

~~(4)-(13)~~ "Doing business" has the meaning specified in section 23101(a) of the California Revenue and Taxation Code. "Doing business in California" has the meaning of "doing business in this state for a taxable year" specified in section 23101(b) of the California Revenue and Taxation Code.

(14) "Efficiency tier" means a Commission-approved neutral category based on the applicable efficiency metric for the covered equipment category, including SEER2, EER2, HSPF2, UEF, COP, or another applicable metric, and used only to classify covered equipment into non-identifying aggregate reporting categories.

(15) "Equipment" means any fixture, appliance, or other equipment included in the scope of this Article.

(16) "Fuel type" means electricity, natural gas, propane, oil, or another Commission-approved fuel category applicable to the covered equipment.

~~(6) "FTB" means the Franchise Tax Board.~~

(17) "Hydronic" means that the equipment is capable of performing both space and water heating or conditioning functions.

(18) "Non-central air conditioner" and "non-central air conditioning heat pump" means equipment designed to be installed in a non-centralized configuration that otherwise meets the definition of "central air conditioner" or "central air conditioning heat pump", including but not limited to single-split, mini-split, multi-split, and other split system equipment.

(19) "Outdoor unit" means a component of a split-system air conditioner, heat pump, or hydronic device designed to be installed outdoors for exchanging heat with outside air, and that typically consists of a condenser coil, compressor, and fan.

(20) "Refrigerant class" means a Commission-approved neutral refrigerant category based on objective criteria, including GWP range, refrigerant safety classification, or applicable federal or state refrigerant-compliance category, and used only to classify covered equipment into non-identifying aggregate reporting categories without disclosing make, brand, model, SKU, or seller-specific product-line information.

(21) "Reporting entity" means an entity subject to this Article under section 1396.1(b) because it sells, offers for sale, or otherwise distributes covered equipment in California and makes covered sales of covered equipment.

~~(10)-(22)~~ "Selling" means any activity requiring a seller's permit under California law.

(23) "Ship-to county" means the California county associated with the delivery address for covered equipment and serves as the county-level proxy for geographic reporting when installation county is not known to the reporting entity. If no delivery address is available, ship-to county means another Commission-approved county proxy, such as branch location, used consistently by the reporting entity and approved aggregator.

(24) "Suppression threshold" means the minimum aggregation standard required to prevent disclosure or reasonable inference of a reporting entity's sales volume, customer relationships, contractor relationships, brand relationships, or market share.

(25) "Transaction-level data" means data identifying or capable of identifying a specific sale, customer, contractor, invoice, order, account, shipment, brand/model sale by seller, or other non-aggregated commercial record.

~~(11)-(26)~~ State and federal equipment definitions. The following terms referring to specified equipment are defined in federal law and have the same meaning when used within this Article.

(A) "Central air conditioner" and "central air conditioning heat pump" have the meaning specified in 10 CFR 430.2, which is restated here for reference:

Central air conditioner or central air conditioning heat pump means a product, other than a packaged terminal air conditioner, packaged terminal heat pump, single-phase single-package vertical air conditioner with cooling capacity less than 65,000 Btu/h, single-phase single-package vertical heat pump with cooling capacity less than 65,000 Btu/h, computer room air conditioner, or unitary dedicated outdoor air system as these equipment categories are defined at § 431.92 of this chapter, which is powered by single phase electric current, air cooled, rated below 65,000 Btu per hour, not contained within the same cabinet as a furnace, the rated capacity of which is above 225,000 Btu per hour, and is a heat pump or a cooling unit only. A central air conditioner or central air conditioning heat pump may consist of: A single-package unit; an outdoor unit and one or more indoor units; an indoor unit only; or an outdoor unit with no match.

(B) "Storage water heater", "instantaneous water heater" and "heat pump water heater" have the meaning specified in 10 CFR 430.2, which is restated here for reference:

Water heater means a product which utilizes oil, gas, or electricity to heat potable water for use outside the heater upon demand, including—

(1) Storage type units which heat and store water at a thermostatically controlled temperature, including gas storage water heaters with an input of 75,000 Btu per hour or less, oil storage water heaters with an input of 105,000 Btu per hour or less, and electric storage water heaters with an input of 12 kilowatts or less;

(2) Instantaneous type units which heat water but contain no more than one gallon of water per 4,000 Btu per hour of input, including gas instantaneous water heaters with an input of 200,000 Btu per hour or less, oil instantaneous water heaters with an input of 210,000 Btu per hour or less, and electric instantaneous water heaters with an input of 12 kilowatts or less; and

(3) Heat pump type units, with a maximum current rating of 24 amperes at a voltage no greater than 250 volts, which are products designed to transfer thermal energy from one temperature level to a higher temperature level for the purpose of heating water, including all ancillary equipment such as fans, storage tanks, pumps, or controls necessary for the device to perform its function.

§ 1396.3. Reporting Periods and Requirements.

(a) For purposes of this article, beginning with ~~calendar year 2027~~the first full calendar year beginning at least 12 months after the Commission approves or contracts with an approved aggregator and issues final reporting specifications, each calendar year shall be a reporting period beginning on January 1 and ending on December 31 of said year.

(b) Reports shall be submitted for each reporting period and shall contain the information specified in Section 1396.4 of this Article.

(1) Submittal of a report shall constitute a representation by the reporting entity and by the person making the submittal that all the information provided in or with the report is true, complete, accurate, and in compliance with all applicable provisions of this Article under penalty of perjury.

(c) Reports filed pursuant to this Article shall be submitted no later than the first quarter following the change in calendar year, ending on the last day of March.

(1) For the first reporting period, the reporting entity shall submit required data to the approved aggregator no later than March 31 following the end of the first reporting period, unless the Executive Director grants an extension under subsection (f).

(d) All data and reports shall be submitted on forms, and in accordance with instructions for such forms, specified by the ~~executive director~~ **Executive Director after consultation with the approved aggregator and interested stakeholders**, which may include without limitation a requirement that the data or reports be submitted in electronic format generally or in a specific electronic format.

(e) A reporting entity's submission to the approved aggregator in the form and format specified under subsection (d) shall be deemed a submission under this Article. The approved aggregator shall submit aggregate reports to the Commission by March 31 following the end of each reporting period unless the Executive Director approves a different date.

(f) Extension of Deadlines Specified in this Article. ~~The company responsible for submitting data, a report, or an application may apply to the Executive Director for an extension of the deadlines established in this Article.~~ A reporting entity may request an extension from the Executive Director, with notice to the approved aggregator. The approved aggregator may provide technical information to the Commission, but the Executive Director shall decide extension requests.

(g) The approved aggregator may accept monthly uploads if monthly uploads reduce burden or improve data quality, but CEC-facing reports shall remain aggregated and suppressed and shall not transmit transaction-level data to the Commission.

§ 1396.4. Data to be Reported.

(a) Sales to the following buyers shall be reported: contractors, employees of contractors, and buyers acting on behalf of contractors. For purposes of this article, reporting entities shall report covered sales to the approved aggregator. Returns, canceled orders, inter-branch transfers, wholesale-to-wholesale transactions,

parts, accessories, and equipment not intended for installation in California are excluded.

(b) Reporting entities shall submit, in their annual report, the following data for each model of equipment sold during the reporting period to any of the entities described in 1396.4(a): to the approved aggregator, the information necessary for the approved aggregator to classify, validate, aggregate, suppress, and report covered sale information under this Article:

Equipment type;

Make or brand;

Model number;

Name of the buyer;

Business or billing address of the buyer;

Buyer's CSLB-issued contractor license number or FTB-issued Business Entity ID number;

Year and month of sale;

Number of units of that model sold to that buyer in that month within the reported calendar year.

Reporting entity identifier;

sale month and year;

location information to identify ship-to county;

product identifiers necessary for classification, which may include AHRI directory number, SKU, make, brand, or model number, provided that such product identifiers are used only by the approved aggregator and are not transmitted to the Commission;

covered equipment category, unless identified via the product identifier; and
number of units sold by product identifier.

(c) Reporting entities shall provide self-identifying information sufficient to verify participation, including reporting entity name, headquarters address, contact name, contact email, and contact phone number. This information may be provided to the Commission for participation and enforcement purposes but shall not be linked to sales volumes in any Commission-facing report.

(d) The approved aggregator shall submit to the Commission an aggregate report containing only unit counts by reporting period or month, county or combined

geography, covered equipment category, fuel type, efficiency tier, and refrigerant class, subject to the suppression thresholds in section 1396.5.

(e) The approved aggregator may also submit participation lists, headquarters addresses, contact names, contact emails, contact phone numbers, coverage estimates, confidence intervals where appropriate, correction notices, and certifications.

(f) Commission-facing reports shall not include buyer names, customer names, contractor names, contractor license numbers, buyer addresses, billing addresses, customer account numbers, invoice numbers, order numbers, transaction identifiers, serial numbers, make, brand, OEM, model number, SKU, AHRI directory number, seller-specific sales volumes, seller-level market share, or distributor ERP data.

§ 1396.5. Data Access, Confidentiality, Suppression, and Audit.

(a) Consistent with Public Resources Code section 25322(a)(2), data submitted under section 1396.4 shall be designated confidential by the Commission.

Underlying data submitted to an approved aggregator is not submitted to the Commission. The Commission shall receive only the aggregate reports and other non-sales materials expressly authorized by this Article. To the extent any Commission-held materials are confidential, they shall be treated in accordance with Public Resources Code section 25322 and applicable implementing regulations.

(b) The Commission may release records that are masked, aggregated, or anonymized to the extent necessary to ensure confidentiality consistent with Public Resources Code section 25322(a)(4) and its implementing regulations.

Submission of covered sale data to an approved aggregator does not transfer ownership of underlying records. Reporting entities retain ownership of their records. The approved aggregator maintains custody of submitted data solely for the purposes authorized by this Article and in accordance with applicable Commission-approved confidentiality, cybersecurity, retention, destruction, and data-use restrictions.

(c) Consistent with Public Resources Code section 25224, the Commission may share collected data aggregate reports with other California governmental entities in a confidential manner, for purposes including but not limited to improving compliance with other laws or reducing the need for duplicative or redundant parallel data collection; limited to energy-policy analysis, energy forecasting, incentive-program design or evaluation, building decarbonization, regional permit-compliance awareness, or reducing duplicative energy-data collection.

(d) Suppression. The approved aggregator shall not disclose a Commission-facing aggregate cell unless at least three independent reporting companies contribute to that cell. The approved aggregator shall suppress or combine any cell that does not meet this threshold or that could otherwise reasonably be used to identify a reporting entity, customer, contractor, brand relationship, seller-level sales volume, or market share. Suppression may include combining categories, combining reporting periods, or aggregating counties into a larger geography. ZIP-code reporting is not permitted.

(e) Audit. The Commission may audit the approved aggregator's methodology, classification rules, AHRI mapping process, validation procedures, reporting-entity participation list, correction logs, suppression decisions, aggregation controls, cybersecurity controls, and certifications. The Commission shall not inspect buyer names, contractor identities, customer account lists, seller-level sales volumes, transaction-level records, brand/model sales by seller, or underlying distributor ERP data as part of an audit under this Article.

(f) Contractor enforcement. Nothing in this Article authorizes the Commission to contact distributors regarding sales to a specific contractor or to request contractor-specific customer records for permit enforcement. To the extent CSLB or another agency has independent authority to seek contractor-specific records, that authority exists independently of this Article.

(g) Cybersecurity and conflict controls. The approved aggregator shall maintain commercially reasonable administrative, technical, and physical safeguards for confidential business information, including encryption in transit and at rest, secure file-transfer protocols, role-based access controls, multi-factor authentication for users with access to non-aggregated data, access logging, data segregation among participants, incident-response procedures, employee confidentiality obligations, retention and destruction policies, and periodic security review. Data submitted for CEC compliance shall be firewalled from commercial, advocacy, sales, or member-service uses unless separately authorized by the reporting entity.

§ 1396.6. Enforcement for Failing to File Timely Reports.

(a) The Commission may enforce against an entity obligated to submit reports for late or willfully inaccurate submittals, including by issuing civil penalties, consistent with Public Resources Code section 25321.

(b) Clerical or classification errors corrected within a Commission-approved correction period shall not constitute willful inaccuracy absent evidence of intentional misreporting. Obligations of a Commission-contracted or Commission-approved aggregator shall be enforced through the applicable contract or approval agreement, except to the extent otherwise authorized by statute.

Appendix B

Clean Integrated Draft Express Terms - Primary Alternative

This clean draft integrates the primary CEC-approved independent aggregator alternative. It is drafted as a working text for discussion and should be conformed to CEC formatting conventions before filing.

Title 20, Division 2, Chapter 3, Article 6

Article 6. Space Conditioning, and Water Heating Equipment Data Collection

§ 1396.1. Title and Scope.

- (a) The reports described in this Article shall be known as the Data Collection Reports for Space Conditioning, and Water Heating Equipment.
- (b) The reporting requirements of this Article apply to any reporting entity that makes a covered sale of covered equipment in California, as those terms are defined in section 1396.2.
- (c) The reporting requirements of this Article shall apply to sales of the following residential equipment: central air conditioners, central air conditioning heat pumps, non-central air conditioners, non-central air conditioning heat pumps, storage water heaters, instantaneous water heaters, and heat pump water heaters, including but not limited to single-package, single-split, mini-split, multi-split, and hydronic equipment.
- (1) For split system equipment, including single-split, mini-split and multi-split equipment, the reporting requirements of this Article shall apply only to the outdoor unit.
- (d) A reporting entity shall satisfy this Article by submitting covered sale data to a Commission-approved independent data aggregator in accordance with Commission-approved reporting specifications. The Commission shall receive only the aggregate reports, participation information, coverage metrics, confidence intervals where appropriate, correction notices, certifications, and audit materials expressly authorized by this Article.

§ 1396.2. Rules of Construction and Definitions.

- (a) Rules of Construction.
- (1) Where the context requires, the singular includes the plural and the plural includes the singular.
- (2) The use of “and” in a conjunctive position means that all elements in the provision must be complied with, or must exist to make the provision applicable. Where

compliance with one or more elements suffices, or where existence of one or more elements make the provision applicable, "or" (rather than "and/or") is used.

(b) Definitions. In this Article, the following definitions apply. If a term is not defined here, the applicable definition in California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, Section 1602 shall apply.

(1) "Aggregate cell" means a discrete combination of reporting period, county or combined geography, covered equipment category, fuel type, efficiency tier, refrigerant class, and any other Commission-approved reporting dimension.

(2) "Aggregate report" means a CEC-facing report submitted to the Commission by an approved aggregator that contains only aggregated and suppressed unit counts and the non-sales information expressly authorized by this Article.

(3) "AHRI Directory" means the Air-Conditioning, Heating, and Refrigeration Institute directory or a successor product-identification resource used by the approved aggregator to classify covered equipment into neutral reporting categories.

(4) "CEC-facing report" means an aggregate report, certification, coverage estimate, correction notice, audit material, or other material transmitted to or maintained by the Commission under this Article.

(5) "Commission-approved independent data aggregator" or "approved aggregator" means an entity approved by or under contract with the Commission to receive covered sale data from reporting entities solely for the purpose of validating, standardizing, classifying, aggregating, suppressing, and reporting non-identifying aggregate outputs under this Article. The approved aggregator shall be subject to Commission-approved confidentiality, cybersecurity, conflict-of-interest, data-use, audit, retention, and destruction requirements.

(6) "Covered equipment" means, for purposes of this Article, the residential equipment listed in section 1396.1(c).

(7) "Covered equipment category" means a Commission-approved neutral category used to classify covered equipment for aggregate reporting, such as central air conditioner, central air conditioning heat pump, non-central air conditioner, non-central air conditioning heat pump, storage water heater, instantaneous water heater, or heat pump water heater.

(8) "Covered sale" means a sale or distribution of covered equipment to a contractor, an employee of a contractor, or a buyer acting on behalf of a contractor, including but not limited to a company purchasing equipment for installation by contractors under its employment, where the covered equipment is sold, offered for sale, distributed, or delivered for installation in California. Covered sale does not include returns, cancelled orders, warranty replacements not involving a new sale, inter-branch transfers,

wholesale-to-wholesale transactions, parts, accessories, or equipment not intended for installation in California.

(9) "Coverage estimate" means an estimate, confidence interval, or other Commission-approved metric describing the approximate share of the relevant California market represented by the aggregate report without disclosing seller-level sales volumes or market share.

(10) "CSLB" means the Contractors State License Board.

(11) "Commission" means the State Energy Resources Conservation and Development Commission also known as the California Energy Commission.

(A) "Executive Director" means the executive director of the Commission.

(12) "Contractor" has the meaning specified in California Business and Professions Code sections 7026, and 7026.1. A contractor is a "licensed contractor" when performing work while having an applicable CSLB-issued license in good standing. An "unlicensed contractor" is a contractor performing work without an applicable CSLB-issued license or the CSLB-issued license is not in good standing.

(13) "Doing business" has the meaning specified in section 23101(a) of the California Revenue and Taxation Code. "Doing business in California" has the meaning of "doing business in this state for a taxable year" specified in section 23101(b) of the California Revenue and Taxation Code.

(14) "Efficiency tier" means a Commission-approved neutral category based on the applicable efficiency metric for the covered equipment category, including SEER2, EER2, HSPF2, UEF, COP, or another applicable metric, and used only to classify covered equipment into non-identifying aggregate reporting categories.

(15) "Equipment" means any fixture, appliance, or other equipment included in the scope of this Article.

(16) "Fuel type" means electricity, natural gas, propane, oil, or another Commission-approved fuel category applicable to the covered equipment.

(17) "Hydronic" means that the equipment is capable of performing both space and water heating or conditioning functions.

(18) "Non-central air conditioner" and "non-central air conditioning heat pump" means equipment designed to be installed in a non-centralized configuration that otherwise meets the definition of "central air conditioner" or "central air conditioning heat pump", including but not limited to single-split, mini-split, multi-split, and other split system equipment.

(19) "Outdoor unit" means a component of a split-system air conditioner, heat pump, or hydronic device designed to be installed outdoors for exchanging heat with outside air, and that typically consists of a condenser coil, compressor, and fan.

(20) "Refrigerant class" means a Commission-approved neutral refrigerant category based on objective criteria, including GWP range, refrigerant safety classification, or applicable federal or state refrigerant-compliance category, and used only to classify covered equipment into non-identifying aggregate reporting categories without disclosing make, brand, model, SKU, or seller-specific product-line information.

(21) "Reporting entity" means an entity subject to this Article under section 1396.1(b) because it sells, offers for sale, or otherwise distributes covered equipment in California and makes covered sales of covered equipment.

(22) "Selling" means any activity requiring a seller's permit under California law.

(23) "Ship-to county" means the California county associated with the delivery address for covered equipment and serves as the county-level proxy for geographic reporting when installation county is not known to the reporting entity. If no delivery address is available, ship-to county means another Commission-approved county proxy, such as branch location, used consistently by the reporting entity and approved aggregator.

(24) "Suppression threshold" means the minimum aggregation standard required to prevent disclosure or reasonable inference of a reporting entity's sales volume, customer relationships, contractor relationships, brand relationships, or market share.

(25) "Transaction-level data" means data identifying or capable of identifying a specific sale, customer, contractor, invoice, order, account, shipment, brand/model sale by seller, or other non-aggregated commercial record.

(26) State and federal equipment definitions. The following terms referring to specified equipment are defined in federal law and have the same meaning when used within this Article.

(A) "Central air conditioner" and "central air conditioning heat pump" have the meaning specified in 10 CFR 430.2, which is restated here for reference:

Central air conditioner or central air conditioning heat pump means a product, other than a packaged terminal air conditioner, packaged terminal heat pump, single-phase single-package vertical air conditioner with cooling capacity less than 65,000 Btu/h, single-phase single-package vertical heat pump with cooling capacity less than 65,000 Btu/h, computer room air conditioner, or unitary dedicated outdoor air system as these equipment categories are defined at § 431.92 of this chapter, which is powered by single phase electric current, air cooled, rated below 65,000 Btu per hour, not contained within the same cabinet as a furnace, the rated capacity of which is above 225,000 Btu per hour, and is a heat pump or a cooling unit only. A central air conditioner or central air conditioning heat pump may consist of: A single-package unit; an outdoor unit and one or more indoor units; an indoor unit only; or an outdoor unit with no match.

(B) “Storage water heater”, “instantaneous water heater” and “heat pump water heater” have the meaning specified in 10 CFR 430.2, which is restated here for reference:

Water heater means a product which utilizes oil, gas, or electricity to heat potable water for use outside the heater upon demand, including—

(1) Storage type units which heat and store water at a thermostatically controlled temperature, including gas storage water heaters with an input of 75,000 Btu per hour or less, oil storage water heaters with an input of 105,000 Btu per hour or less, and electric storage water heaters with an input of 12 kilowatts or less;

(2) Instantaneous type units which heat water but contain no more than one gallon of water per 4,000 Btu per hour of input, including gas instantaneous water heaters with an input of 200,000 Btu per hour or less, oil instantaneous water heaters with an input of 210,000 Btu per hour or less, and electric instantaneous water heaters with an input of 12 kilowatts or less; and

(3) Heat pump type units, with a maximum current rating of 24 amperes at a voltage no greater than 250 volts, which are products designed to transfer thermal energy from one temperature level to a higher temperature level for the purpose of heating water, including all ancillary equipment such as fans, storage tanks, pumps, or controls necessary for the device to perform its function.

§ 1396.3. Reporting Periods and Requirements.

(a) For purposes of this article, beginning with the first full calendar year beginning at least 12 months after the Commission approves or contracts with an approved aggregator and issues final reporting specifications, each calendar year shall be a reporting period beginning on January 1 and ending on December 31 of said year.

(b) Reports shall be submitted for each reporting period and shall contain the information specified in Section 1396.4 of this Article.

(1) Submittal of a report shall constitute a representation by the reporting entity and by the person making the submittal that all the information provided in or with the report is true, complete, accurate, and in compliance with all applicable provisions of this Article under penalty of perjury.

(c) Reports filed pursuant to this Article shall be submitted no later than the first quarter following the change in calendar year, ending on the last day of March.

(1) For the first reporting period, the reporting entity shall submit required data to the approved aggregator no later than March 31 following the end of the first reporting period, unless the Executive Director grants an extension under subsection (f).

(d) All data and reports shall be submitted on forms, and in accordance with instructions for such forms, specified by the Executive Director after consultation with

the approved aggregator and interested stakeholders, which may include without limitation a requirement that the data or reports be submitted in electronic format generally or in a specific electronic format.

(e) A reporting entity's submission to the approved aggregator in the form and format specified under subsection (d) shall be deemed a submission under this Article. The approved aggregator shall submit aggregate reports to the Commission by March 31 following the end of each reporting period unless the Executive Director approves a different date.

(f) Extension of Deadlines Specified in this Article. A reporting entity may request an extension from the Executive Director, with notice to the approved aggregator. The approved aggregator may provide technical information to the Commission, but the Executive Director shall decide extension requests.

(g) The approved aggregator may accept monthly uploads if monthly uploads reduce burden or improve data quality, but CEC-facing reports shall remain aggregated and suppressed and shall not transmit transaction-level data to the Commission.

§ 1396.4. Data to be Reported.

(a) Sales to the following buyers shall be reported: contractors, employees of contractors, and buyers acting on behalf of contractors. For purposes of this article, reporting entities shall report covered sales to the approved aggregator. Returns, canceled orders, inter-branch transfers, wholesale-to-wholesale transactions, parts, accessories, and equipment not intended for installation in California are excluded.

(b) Reporting entities shall submit, to the approved aggregator, the information necessary for the approved aggregator to classify, validate, aggregate, suppress, and report covered sale information under this Article:

Reporting entity identifier;

sale month and year;

location information to identify ship-to county;

product identifiers necessary for classification, which may include AHRI directory number, SKU, make, brand, or model number, provided that such product identifiers are used only by the approved aggregator and are not transmitted to the Commission;

covered equipment category, unless identified via the product identifier; and

number of units sold by product identifier.

(c) Reporting entities shall provide self-identifying information sufficient to verify participation, including reporting entity name, headquarters address, contact name, contact email, and contact phone number. This information may be provided to the

Commission for participation and enforcement purposes but shall not be linked to sales volumes in any Commission-facing report.

(d) The approved aggregator shall submit to the Commission an aggregate report containing only unit counts by reporting period or month, county or combined geography, covered equipment category, fuel type, efficiency tier, and refrigerant class, subject to the suppression thresholds in section 1396.5.

(e) The approved aggregator may also submit participation lists, headquarters addresses, contact names, contact emails, contact phone numbers, coverage estimates, confidence intervals where appropriate, correction notices, and certifications.

(f) Commission-facing reports shall not include buyer names, customer names, contractor names, contractor license numbers, buyer addresses, billing addresses, customer account numbers, invoice numbers, order numbers, transaction identifiers, serial numbers, make, brand, OEM, model number, SKU, AHRI directory number, seller-specific sales volumes, seller-level market share, or distributor ERP data.

§ 1396.5. Data Access, Confidentiality, Suppression, and Audit.

(a) Consistent with Public Resources Code section 25322(a)(2), data submitted under section 1396.4 shall be designated confidential by the Commission.

Underlying data submitted to an approved aggregator is not submitted to the Commission. The Commission shall receive only the aggregate reports and other non-sales materials expressly authorized by this Article. To the extent any Commission-held materials are confidential, they shall be treated in accordance with Public Resources Code section 25322 and applicable implementing regulations.

(b) The Commission may release records that are masked, aggregated, or anonymized to the extent necessary to ensure confidentiality consistent with Public Resources Code section 25322(a)(4) and its implementing regulations.

Submission of covered sale data to an approved aggregator does not transfer ownership of underlying records. Reporting entities retain ownership of their records. The approved aggregator maintains custody of submitted data solely for the purposes authorized by this Article and in accordance with applicable Commission-approved confidentiality, cybersecurity, retention, destruction, and data-use restrictions.

(c) Consistent with Public Resources Code section 25224, the Commission may share aggregate reports with other California governmental entities in a confidential manner, for purposes limited to energy-policy analysis, energy forecasting, incentive-program design or evaluation, building decarbonization, regional permit-compliance awareness, or reducing duplicative energy-data collection.

(d) Suppression. The approved aggregator shall not disclose a Commission-facing aggregate cell unless at least three independent reporting companies contribute to that cell. The approved aggregator shall suppress or combine any cell that does not meet this threshold or that could otherwise reasonably be used to identify a reporting entity, customer, contractor, brand relationship, seller-level sales volume, or market share. Suppression may include combining categories, combining reporting periods, or aggregating counties into a larger geography. ZIP-code reporting is not permitted.

(e) Audit. The Commission may audit the approved aggregator's methodology, classification rules, AHRI mapping process, validation procedures, reporting-entity participation list, correction logs, suppression decisions, aggregation controls, cybersecurity controls, and certifications. The Commission shall not inspect buyer names, contractor identities, customer account lists, seller-level sales volumes, transaction-level records, brand/model sales by seller, or underlying distributor ERP data as part of an audit under this Article.

(f) Contractor enforcement. Nothing in this Article authorizes the Commission to contact distributors regarding sales to a specific contractor or to request contractor-specific customer records for permit enforcement. To the extent CSLB or another agency has independent authority to seek contractor-specific records, that authority exists independently of this Article.

(g) Cybersecurity and conflict controls. The approved aggregator shall maintain commercially reasonable administrative, technical, and physical safeguards for confidential business information, including encryption in transit and at rest, secure file-transfer protocols, role-based access controls, multi-factor authentication for users with access to non-aggregated data, access logging, data segregation among participants, incident-response procedures, employee confidentiality obligations, retention and destruction policies, and periodic security review. Data submitted for CEC compliance shall be firewalled from commercial, advocacy, sales, or member-service uses unless separately authorized by the reporting entity.

§ 1396.6. Enforcement for Failing to File Timely Reports.

(a) The Commission may enforce against an entity obligated to submit reports for late or willfully inaccurate submittals, including by issuing civil penalties, consistent with Public Resources Code section 25321.

(b) Clerical or classification errors corrected within a Commission-approved correction period shall not constitute willful inaccuracy absent evidence of intentional misreporting. Obligations of a Commission-contracted or Commission-approved aggregator shall be enforced through the applicable contract or approval agreement, except to the extent otherwise authorized by statute.

Appendix C

Optional Safe-Harbor Alternative Text

If CEC does not adopt the primary mandatory aggregator model, HARDI recommends adding the following safe-harbor provision to any direct reporting framework.

§ 1396.7. Approved Aggregator Safe Harbor.

(a) A reporting entity that timely submits qualifying covered sale data to UMIP or another Commission-approved independent data aggregator shall be deemed to have satisfied the corresponding reporting obligation under this Article for the covered sales included in the aggregator submission.

(b) To qualify for approval, an aggregator shall demonstrate that it can receive covered sale data; classify covered equipment using AHRI directory information or another Commission-approved product-identification method; validate, standardize, aggregate, and suppress submitted data; maintain confidentiality and cybersecurity controls; provide reporting-entity participation information; submit aggregate reports to the Commission; and certify compliance with Commission-approved specifications.

(c) A safe-harbor aggregate report submitted to the Commission shall contain only aggregated and suppressed unit counts by reporting period or month, county or combined geography, covered equipment category, fuel type, efficiency tier, and refrigerant class, together with participation information, coverage estimates, confidence intervals where appropriate, correction notices, and certifications.

(d) A safe-harbor aggregate report shall not include buyer names, customer names, contractor names, contractor license numbers, FTB identifiers, buyer addresses, billing addresses, customer account numbers, invoice numbers, order numbers, transaction identifiers, serial numbers, make, brand, OEM, model number, SKU, AHRI directory number, seller-specific sales volumes, seller-level market share, or distributor ERP data.

(e) The Commission may audit the approved aggregator's methodology, classification rules, validation procedures, participation list, correction logs, suppression decisions, aggregation controls, cybersecurity controls, and certifications. The Commission shall not inspect buyer names, contractor identities, customer account lists, seller-level sales volumes, transaction-level records, brand/model sales by seller, or underlying distributor ERP data under this safe harbor.

(f) Safe-harbor status shall not require participation in any trade association or market-intelligence product. Any qualified independent aggregator may seek Commission approval if it satisfies the requirements of this section.