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Rheem Comment to Data Tracking RFI 3

Attached are Rheem Manufacturing Company's comments.

Additional submitted attachment is included below.



July 24, 2026 - Submitted via California Energy Commission Docket.

California Energy Commission
Re: Docket 24-OIR-03
715 P Street
Sacramento, CA 95814

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

Dear Members of the Commission,

Rheem Manufacturing Company (Rheem) appreciates the opportunity to comment on the California Energy Commission's (CEC) Third Request for Information (RFI) in the Energy Data Collection Phase 3 – Space Conditioning and Water Heating Equipment Data Tracking proceeding, Docket Number 24-OIR-03. Rheem is an industry leader in total heating, cooling, refrigeration, and water heating solutions, headquartered in Atlanta, Georgia, with a manufacturing facility in Oxnard, California. Rheem also has U.S.-based manufacturing facilities in Alabama, Arkansas, and North Carolina, and distribution facilities throughout the United States, Canada, and around the world.

Rheem is a member of the Air-Conditioning, Heating, and Refrigeration Institute (AHRI), the Association of Home Appliance Manufacturers (AHAM), and Heating, Air-conditioning, & Refrigeration Distributors International (HARDI), and supports their separately submitted comments to the extent consistent with the positions stated herein. Rheem offers the following comments and recommendations regarding the Third RFI.

Improvements Reflected in the Third RFI

Rheem acknowledges and appreciates that the Third RFI reflects certain changes responsive to concerns raised by Rheem and other stakeholders in the prior comment period. In particular, the Third RFI: (a) shifts from quarterly to annual reporting; (b) removes the serial-number data field; and (c) narrows the reporting obligation to a single supply-chain step—sales to contractors.

Rheem views these modifications as constructive steps responding to stakeholder input. However, significant concerns remain unaddressed, as discussed below.



Statutory Authority Remains Limited to Central Air Conditioners and Heat Pumps

Rheem reiterates its fundamental concern that the CEC lacks statutory authority to impose the data collection obligations contemplated by the Third RFI on equipment categories beyond central air conditioners and heat pumps. This concern remains unaddressed in the Third RFI.

SB 1414 (2016) added Public Resources Code (PRC) Section 25402.12 and granted the CEC authority to "adopt regulations to increase compliance with permitting and inspection requirements for central air-conditioning and heat pumps." By its plain terms, this authority is limited to central air-conditioning and heat pumps and does not extend to non-central air-conditioning systems (including mini-split and multi-split equipment), gas-fired and electric resistance space heating equipment, or any category of water heater. The Third RFI's continued inclusion of water heaters, non-central air conditioners, and heat pump water heaters within its scope exceeds this statutory grant.

To the extent the CEC relies on its Integrated Energy Policy Report (IEPR) authority under PRC Sections 25300 through 25328, that authority is circumscribed by PRC Section 25320, which directs the CEC to "rely on the use of estimates and proxies, to the maximum extent practicable" and to give "full consideration to the potential burdens these data requests impose on the resources of the stakeholders whose information is being requested." The granular, transaction-level data collection proposed in the Third RFI is inconsistent with this statutory framework, which contemplates aggregate forecasting data—not a compliance-tracking system.

Rheem further notes that SB 795 of the 2023-2024 legislative session, which would have granted the CEC expanded data-collection authority beyond central air-conditioning and heat pumps, failed to advance. The Legislature's decision not to expand the CEC's authority in this area is significant and should inform the Commission's understanding of its existing jurisdictional limitations. The Third RFI's continued assertion of authority over water heaters and non-central equipment categories lacks a valid legislative foundation.



Interagency Data Sharing Under Proposed Section 1396.5(c)

Proposed Section 1396.5(c) provides that "[c]onsistent with Public Resources Code section 25224, the Commission may share collected data 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." The CEC cites PRC Section 25224, as amended by AB 1533 (Chapter 353, Statutes of 2024), as authority for this provision. Rheem identifies two fundamental mismatches between the cited statute and the proposed regulatory text. First, PRC Section 25224(a) authorizes exchanges among "other state agencies"—a defined category limited to agencies of the State of California. Proposed Section 1396.5(c), by contrast, refers to "other California governmental entities," a broader and undefined term that could encompass local governments, regional air quality management districts, county building departments, and other sub-state bodies. The proposed rule thus exceeds the scope of the statute it purports to implement.

Second, PRC Section 25224(a) is narrowly framed around avoiding "unnecessary duplication of effort"—a reciprocal, efficiency-oriented objective. Proposed Section 1396.5(c) introduces an additional, broader purpose: "improving compliance with other laws." This enforcement-oriented purpose has no counterpart in Section 25224 and represents a significant expansion beyond the statutory text. Sharing confidential business data for the purpose of enabling other agencies' enforcement activities—particularly permit compliance enforcement directed at individual contractors—is a qualitatively different use than avoiding duplicative data collection.

Rheem reiterates its recommendation from the RFI 2 comment period that the CEC codify minimum criteria for evaluating whether to release confidential information outside of the CEC under PRC Section 25322(b). This request remains unaddressed in the Third RFI. Absent such criteria, reporting entities have no assurance regarding the circumstances under which their confidential data may be disseminated or the standard the CEC will apply in evaluating third-party requests.

HARDI's comments in this proceeding propose a textual revision to Section 1396.5(c) that would replace the open-ended "including but not limited to" purposes clause with a closed, enumerated list of permissible sharing purposes limited to: energy-policy analysis, energy forecasting, incentive-program design or evaluation, building decarbonization,



regional permit-compliance awareness, and reducing duplicative energy-data collection. HARDI further proposes an express provision stating that 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, and that any independent authority CSLB or another agency may have to seek contractor-specific records exists independently of this Article. Rheem supports HARDI's approach as a means of aligning the regulatory text with the actual scope of PRC Section 25224 and providing necessary boundaries on the use of reported data.

Data Granularity Exceeds IEPR Requirements

The Third RFI continues to require, under proposed Section 1396.4(b), the reporting of model number and buyer-identifying data, including the name of the buyer, the business or billing address of the buyer, and the buyer's CSLB-issued contractor license number or FTB-issued Business Entity ID number. Rheem maintains that this level of granularity exceeds what is necessary or appropriate for IEPR forecasting and policy-analysis purposes.

PRC Section 25320 directs the CEC to rely on "estimates and proxies, to the maximum extent practicable" in developing the analyses required by PRC Sections 25301 through 25307, and to give full consideration to the burdens data requests impose on stakeholders. Transaction-level data identifying specific buyers, their addresses, and their license numbers is not an estimate or proxy—it is a granular compliance database that goes well beyond what energy-demand forecasting requires.

Rheem reiterates its recommendation that the CEC adopt a product-category and characteristic-based aggregation approach, as proposed in Rheem's RFI 2 comments—for example, water heater volume reported in defined increments, with efficiency designated at baseline or high-efficiency levels, rather than specific model numbers. This approach would provide the CEC with the market-trend and technology-adoption data needed for IEPR purposes while minimizing confidential business information exposure and reducing reporting burden consistent with PRC Section 25320's mandate.

Absence of Aggregated Third-Party Reporting Pathway

Rheem notes that the Third RFI does not provide any pathway for aggregated reporting through a third party or trade association. Rheem recommended in its RFI 2 comments that



the CEC revise its regulatory framework to permit aggregated, equipment-type-level reporting submitted through third parties, including but not limited to industry trade associations. Such an approach would protect confidential business information, reduce individual reporting entity burden, and provide the CEC with market-level data sufficient for IEPR forecasting and policy analysis consistent with PRC Section 25320's preference for estimates and proxies.

This recommendation remains unaddressed in the Third RFI. Rheem continues to believe that a third-party aggregation pathway—whether mandatory or offered as a safe-harbor alternative—would better align the data-collection framework with the CEC's statutory authority and with the practical realities of the industry's competitive landscape, in which transaction-level reporting to a government agency poses significant confidential business information risks.

Rheem appreciates the opportunity to share these comments with the Commission and recognizes the CEC's continued engagement with stakeholder concerns throughout this proceeding. Please do not hesitate to contact me directly if I can provide any further information or answer any additional questions regarding the issues raised herein.

Sincerely,

James Phillips
Senior Manager of State Government and Regulatory Affairs
Rheem Manufacturing Company

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