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*Docket Number: 24-OIR-03*

**Daikin Comments\_Docket Number 24-OIR-03-Energy Data  
Collection-Phase 3**

*Additional submitted attachment is included below.*

**DAIKIN U.S. CORPORATION**

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Washington, DC 20006

July 24, 2026

California Energy Commission  
Docket Unit, MS-4  
Docket No. 24-OIR-03  
715 P Street  
Sacramento, California 95814

**Re: Docket No. 24-OIR-03, Energy Data Collection – Phase 3; Notice of Request for Information for Equipment Data Tracking**

Dear Commissioners and Staff:

Daikin U.S. Corporation (“Daikin”) appreciates the opportunity to provide comments in response to the California Energy Commission’s (“CEC” or “Commission”) June 9, 2026 Notice of Request for Information regarding potential data reporting requirements for residential air conditioning, water heating, and heat pump equipment delivered to installers.

Daikin remains focused on supporting California’s climate, energy, and building decarbonization goals, including the successful deployment of high-efficiency heat pumps across the state. Heat pumps can play an important role in reducing building emissions while also supporting grid flexibility as more renewable energy resources are integrated. For these benefits to be realized at scale, however, California’s policies must accelerate—not impede—heat pump deployment by reducing barriers to adoption.

Daikin appreciates CEC staff’s revisions to the draft Express Terms, including removing serial-number reporting, narrowing the scope to residential equipment, excluding commercial and industrial equipment, and shifting to annual reporting. These changes reflect meaningful progress and constructive stakeholder engagement. Daikin offers the comments below in that same spirit. Certain elements of the proposal, however, still risk imposing significant burden, relying on incomplete buyer data, and disrupting relationships needed to meet California’s heat pump deployment goals. Daikin therefore recommends a narrower near-term approach based on aggregated manufacturer-reported shipments into California distribution channels, including through AHRI or another appropriate third-party mechanism for participating manufacturers, provided that any such mechanism includes safeguards to protect confidential and sensitive information, while pursuing a statewide online permitting solution for long-term installation-level tracking.

**About Daikin**

Daikin U.S. Corporation is a subsidiary of Daikin Industries, Ltd., one of the world’s leading air conditioning and heat pump equipment manufacturers. Daikin and its affiliated U.S. operating companies—including Daikin Comfort Technologies North America, Inc., Daikin Applied Americas Inc., American Air Filter Company, Inc., and Daikin America, Inc.—are guided by core commitments to sustainability, innovation, comfort, and community. Daikin has made significant investments in U.S. operations, supply chains, product innovation, and workforce development to deliver high-efficiency heating, cooling, and indoor air quality solutions tailored to regional needs.

Daikin has also sought to help California expand heat pump deployment and remains an active partner in efforts to achieve the state's goal of deploying six million heat pumps by 2030. To meet that goal, California must ensure that data collection requirements are administrable, focused on actionable policy needs, and aligned with the realities of the HVAC and water heating supply chains.

### General Comments

Daikin supports the Commission's objective of improving information about heat pump deployment and equipment flows in California. Reliable data can help the state assess progress toward deployment goals, evaluate the effectiveness of incentive and transformation programs, and identify opportunities to improve permitting compliance. Daikin wants to help the Commission obtain useful information in a way that is practical, reliable, and supportive of transformation. At the same time, Daikin believes the proposed reporting structure should be further refined, so that it does not unintentionally disrupt the ordinary supply-chain process needed to deliver heat pumps to California households at scale.

The revised Express Terms would require reporting by model, buyer, address, contractor license or business identification number, month of sale, and quantity sold. Even without serial numbers, this would require system changes, reconciliation across sales channels, and ongoing quality control. Because reporting entities may lack complete buyer information—and because billing or business addresses may not reflect installation location—the proposed data may be costly to collect, while still failing to show where equipment was installed or whether it was permitted.

Daikin recommends a two-step approach. First, the Commission should use aggregated manufacturer-reported shipments into California distribution channels, including through AHRI or another appropriate third-party reporting mechanism for participating manufacturers, provided that any such mechanism includes safeguards to protect confidential and sensitive information, as a near-term proxy. This would provide useful information on volumes, product categories, and trends while reducing burden and protecting confidential business information. Second, for installation-level tracking and permitting compliance, the Commission should work with state and local partners to modernize permitting through a statewide online platform. Permitting data is the most direct way to understand actual installations.

### Responses to CEC Specific Questions in the RFI

#### Questions 1–2: Scope of Reportable Sales and Equipment Categories

Daikin appreciates that the revised scope is narrower than the prior draft and that CEC staff has clarified that commercial and industrial equipment are outside the proposed scope. Daikin supports limiting any reporting obligation to residential equipment and appreciates the removal of equipment that exclusively performs space heating from the scoping language. Daikin also appreciates the clarification that, for split-system equipment, reporting would apply only to the outdoor unit.

Daikin recommends that the final regulatory language be further modified to avoid inadvertently capturing equipment or transactions outside the intended residential scope. In particular, the Commission should expressly exclude commercial and industrial heating, cooling, and water heating equipment, including heat pump chillers and other equipment designed for commercial or industrial applications, in the regulatory text. The Commission should also clarify that indoor units,

air handlers, service coils, and other non-compressor-containing components are outside the reporting obligation.

Daikin also recommends clarifying the treatment of imported products in the regulatory text. Equipment that merely passes through a California port for further transportation and does not clear customs for sale into California should not trigger a California reporting obligation. Reporting should apply only to equipment intended for sale into or within California distribution channels.

#### Questions 3–4: Definitions

Daikin supports definitions that are clear, consistent with existing state and federal law, and administrable for reporting entities. To improve clarity, Daikin recommends that the Commission add or refine definitions to ensure that regulated entities can determine with certainty whether a product or transaction is reportable. In particular, the Commission should consider defining “residential equipment,” “California distribution channels,” “outdoor unit,” “reporting entity,” and “sale to contractor” in a manner that avoids ambiguity across complex sales channels.

Daikin also recommends that the definition of “contractor” be implemented in a manner that does not require reporting entities to determine, verify, or police a buyer’s licensing status beyond information already reasonably available in ordinary business records. The HVAC supply chain may include national accounts, company-owned distributors, independent distributors, online sellers, and other intermediaries. Reporting entities may not know whether a buyer is acting as a contractor, an employee of a contractor, or on behalf of a contractor in every transaction. Any final rule should avoid creating obligations that depend on information that sellers may not routinely collect or may be unable to reliably verify.

#### Questions 5–6: Reporting Periods, Lead Time, and Cost Estimates

Daikin appreciates the move to annual reporting. However, if the Commission adopts buyer-level information reporting, regulated entities need at least one full year after the regulation is adopted and finalized—and after final forms, instructions, and data specifications are available—before the first compliance period begins.

That lead time is necessary to gather data across systems, harmonize formats, map fields to CEC requirements, conduct quality control, identify missing fields, and test internal processes before submitting data under penalty of perjury. These are significant systems and validation tasks, not routine report preparation.

Accordingly, if buyer-level reporting is finalized, Daikin recommends that the first compliance period begin no earlier than January 2029 if the regulation is adopted and finalized in the first half of 2027. This timing provides the minimum one-year implementation period needed to build, harmonize, test, and quality-control reporting systems.

#### Questions 7–9: Data to Be Reported

Daikin appreciates that the revised draft removes serial numbers. That change addresses one of the most significant practical concerns raised during the rulemaking process. Daikin remains concerned about requiring buyer name, billing or business address, contractor license number, business entity identification number, and units sold to each contractor. Linking unit volumes to contractor identity is highly business sensitive because it can reveal distributor-customer relationships, sales volumes, customer strategy, and competitive positioning. At the same time, these fields may be incomplete or unreliable: billing addresses may reflect centralized purchasing or

distributor locations rather than installation sites, and contractor or business identification numbers may not be consistently collected or tied to each sale.

This matters because the contractor-distributor relationship is essential to California's heat pump transition. Contractors may rely on distributor-counter conversations for product availability, technical guidance, and installation considerations, and those interactions can influence what is installed in a home. Reporting rules should avoid making ordinary sales interactions feel subject to government tracking or disclosure, which could weaken the effectiveness of engagement needed to support heat pump adoption.

Daikin shares the Commission's interest in improving permitting compliance and proper heat pump installation. Education and outreach for contractors, distributors, and counter staff on heat pump benefits, installation best practices, and permitting requirements could advance those goals without compromising sensitive distributor-contractor relationships.

If the Commission proceeds with reporting requirements, Daikin recommends that data collection be limited to information already reasonably available to the reporting entity in the ordinary course of business and reported at an aggregated level. Daikin further recommends that the Commission allow reporting through a third-party mechanism for manufacturers that choose to use such a process.

Daikin does not recommend adding additional data fields. To the contrary, the current proposed data elements should be narrowed to reduce burden, protect confidentiality, and improve the likelihood that reported information will be accurate and useful for policy purposes.

#### Questions 10–11: Data Access and Confidentiality

Daikin appreciates that the revised draft designates submitted data as confidential and limits release of masked, aggregated, or anonymized records. Additional detail is still needed on how confidentiality will be protected. Equipment sales data, contractor identities, contractor-specific unit volumes, customer information, sales channels, and geographic or temporal sales trends are commercially sensitive. Even masked or aggregated data can sometimes be reverse engineered, particularly where geographic areas, product categories, or customer segments are limited.

Daikin recommends that the Commission establish a clear and appropriately high bar for access to non-anonymized data. Any final rule should specify who may access submitted data, under what circumstances, for what purposes, with what safeguards, and subject to what restrictions on redisclosure. The Commission should also define the aggregation thresholds and anonymization methods it will use before releasing any data publicly or sharing data with other governmental entities. These safeguards are essential to protect confidential business information and to ensure continued cooperation from reporting entities.

These protections are especially important if data links units sold with identifiable contractor information. That combination can disclose sensitive business and volume information between distributors and contractors. Daikin recommends avoiding linked contractor-level sales reporting unless the Commission determines the information is essential, cannot be obtained through a less burdensome or less competitively sensitive alternative, and will be protected by clear, enforceable safeguards. Daikin would welcome the opportunity to work with the Commission on alternatives that provide useful policy insight while preserving the relationships needed for heat pump deployment.

### Additional Feedback on Enforcement

Daikin recommends that any enforcement provisions recognize the complexity of the proposed reporting obligations and the potential for good-faith errors in newly developed reporting systems. If the Commission proceeds with reporting requirements, enforcement should focus on willful failure to report or intentional misrepresentation, rather than inadvertent errors, incomplete buyer information, or data limitations outside a reporting entity's control. The Commission should also provide a clear process for correcting reports without penalty when errors are identified and timely addressed.

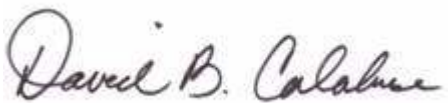
### Conclusion

Daikin appreciates the Commission's continued engagement and supports the goal of improving insight into heat pump and residential equipment deployment. These recommendations are intended to help the Commission obtain useful data without creating unintended barriers or weakening the relationships needed for transformation.

Daikin recommends that the Commission pursue aggregated manufacturer-reported shipments into California distribution channels as a practical near-term proxy, including through AHRI or another appropriate third-party mechanism for participating manufacturers, and focus long-term installation-level tracking efforts on a streamlined statewide online permitting system. This approach would provide useful information, reduce burden, protect confidential business information, and better support California's heat pump deployment and building decarbonization objectives.

Daikin stands ready to continue working with the Commission and California stakeholders to develop data collection approaches that are practical, protective of confidential information, and aligned with the state's climate and energy goals.

Sincerely,

A handwritten signature in dark ink, reading "David B. Calabrese". The signature is fluid and cursive, with the first name "David" being the most prominent.

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Daikin U.S. Corporation