

DOCKETED

Docket Number:	25-BSTD-01
Project Title:	2025 Energy Code Compliance Provider Applications
TN #:	271886
Document Title:	CHEERS Ownership Amendment
Description:	N/A
Filer:	David Choo
Organization:	CHEERS
Submitter Role:	Applicant
Submission Date:	8/7/2026 3:46:49 PM
Docketed Date:	8/7/2026



California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: Post-Approval Amendment to CHEERS ECC-Provider Application, Change in Ownership Following CLEAResult Acquisition, Request for Nonsubstantive Determination

To Whom It May Concern,

CHEERS submits this cover letter in connection with its Post-Approval Amendment to its approved ECC-Provider application pursuant to Section 10-103.3(c)7 of the California Code of Regulations. The amendment notifies the Executive Director that CHEERS is now a wholly owned subsidiary of CLEAResult Consulting Inc. (6504 Bridge Point Parkway, Suite 425, Austin, TX 78730), effective June 17, 2026.

CHEERS respectfully requests that the Executive Director determine this amendment to be nonsubstantive pursuant to Section 10-103.3(c)7C. The application amendment changes, including the updated ownership disclosures, are submitted concurrently herewith as a confidential filing. This cover letter is intended to serve as the non-confidential summary of that filing for purposes of the public docket.

Purpose of This Amendment

This amendment updates the ownership and business-relationship disclosures provided under Sections 10-103.3(c)3C and 10-103.3(c)3D. CHEERS' approved application stated that CHEERS had no parent, subsidiary, or affiliate relationships. Following the acquisition, CHEERS is a wholly owned subsidiary of CLEAResult Consulting Inc. CHEERS submits this amendment to keep its approved application accurate following the change in ownership.

As part of the same transaction, CHEERS was reorganized from a California corporation into a Delaware limited liability company. A reorganization of this kind is a common, routine step in transactions of this type, undertaken solely for corporate and legal-administration purposes. It did not change CHEERS' operations or its role as the approved ECC-Provider. The same company continues to operate the ECC-Provider, through the same staff, the same program, and the same data registry.

Apart from the change in ownership and the change in corporate form, the ECC-Provider is unchanged. The amendment does not alter CHEERS' training curriculum, certification procedures, quality assurance program, data registry operations, or any other element of its approved ECC-Provider application.

Regulatory Standard

Section 10-103.3(c)7C provides that a nonsubstantive amendment is any change that is not substantive, including correcting typographical errors, modifying contact information, renaming positions or programs, and making changes that do not impact consumers, ECC-Raters, or



ECC-Rater Companies, or alter the ability of the ECC-Provider to comply with any requirement of Section 10-103.3(c)1. Section 10-103.3(c)7B defines a substantive amendment as one involving changes to training, certification, or oversight (including quality assurance) that would result in such an impact.

The operative question is whether the change in CHEERS' ownership and corporate form results in any impact to consumers, ECC-Raters, or ECC-Rater Companies, or alters CHEERS' ability to comply with Section 10-103.3(c)1. For the reasons set forth below, it does not.

Justification for Nonsubstantive Determination

The Change Is Limited to Ownership and Corporate Form. CHEERS remains the same operating ECC-Provider that the Commission approved. The acquisition changes who owns CHEERS, and the reorganization changes its corporate form, but neither changes what CHEERS does or how it does it. CHEERS continues to operate under its approved application, with the same management of the program and the same obligations to the Commission. The updates are to CHEERS' ownership and business-relationship disclosures and its governing-document exhibit only.

No Change to Training Content, Curriculum, or Certification Standards. CHEERS delivers the identical training curriculum, practical exercises, and performance rubrics described in its approved application. The training program continues to cover all required 2025 FV&DT procedures. No training methods, certification pathways, or performance standards have changed as a result of the acquisition or the reorganization.

No Change to Quality Assurance or Oversight Structure. CHEERS continues to operate a single, centralized quality assurance and oversight program that governs all ECC-Raters and ECC-Rater Companies uniformly. Audit procedures, complaint handling, data registry oversight, and Rater compliance monitoring are administered as described in the approved application. The acquisition and reorganization introduce no new oversight structure and modify no existing QA protocol. The Executive Director's ability to oversee CHEERS' compliance with Section 10-103.3(c)1 is unchanged.

No Change to Data Registry Operations. The CHEERS data registry continues to operate under the same systems, access controls, and procedures set out in the approved application and the residential data registry application. The acquisition and reorganization do not alter registry operations, registry governance, or the Commission's access to the registry.

No Change to the Personnel Operating the ECC-Provider. The staff responsible for delivering training, administering quality assurance, and operating the registry are unchanged. The day-to-day operation of the ECC-Provider continues under the same personnel and reporting lines reflected in the approved application.

Independence and Conflict of Interest. A change in ownership raises the question of whether new ownership affects CHEERS' independence as a Provider. It does not. As a Provider, CHEERS is subject to the conflict-of-interest prohibitions in Section 10-103.3(b)1A, which require that CHEERS hold no financial interest in any ECC-Rater or ECC-Rater Company in its



registry, hold no financial interest in any builder, designer, or subcontractor signing as Responsible Person on a project in its registry, and operate independently of Raters so that CHEERS is not in a position to influence their pass or fail decisions. Because CLEAResult Consulting Inc. now owns CHEERS, the interests of CLEAResult and its affiliates are treated as indirect interests of the Provider for purposes of these prohibitions.

To address this, CLEAResult conducted an internal review of itself and its affiliates against these Provider conflict-of-interest prohibitions. That review confirmed that neither CLEAResult nor any of its affiliates holds a prohibited financial interest in any CHEERS ECC-Rater, ECC-Rater Company, or Responsible-Person party, and that none is in a position to influence the pass or fail decisions on the projects verified through CHEERS. The affiliates covered by that review are identified in the amendment application under Section 10-103.3(c)(3)D.

Conclusion

The change in CHEERS' ownership and the reorganization of its corporate form do not alter training content, certification standards, oversight procedures, data registry operations, or any other material element of CHEERS' approved ECC-Provider application. CHEERS remains the same operating ECC-Provider, subject to the same obligations, now under new ownership.

For the reasons set forth above, CHEERS respectfully requests that the Executive Director determine this amendment to be nonsubstantive pursuant to Section 10-103.3(c)7C and approve the amendment accordingly.

We welcome the opportunity to discuss this filing further at your convenience.

Respectfully submitted,

David Choo

Director of Compliance
CHEERS

Exhibit B (Amended)

Organizational Documents

1. Certificate of Conversion

California Home Energy Efficiency Rating Services (California Corporation) to California Home Energy Efficiency Rating Services, LLC (Delaware Limited Liability Company)

Delaware

The First State

Page 1

I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF A CALIFORNIA CORPORATION UNDER THE NAME OF "CALIFORNIA HOME ENERGY EFFICIENCY RATING SERVICES" TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "CALIFORNIA HOME ENERGY EFFICIENCY RATING SERVICES" TO "CALIFORNIA HOME ENERGY EFFICIENCY RATING SERVICES, LLC", FILED IN THIS OFFICE ON THE ELEVENTH DAY OF JUNE, A.D. 2026, AT 8:04 O`CLOCK A.M.



10657537 8100F
SR# 20263363019

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, reading "C. P. Sanchez", written over a horizontal line.

Charuni Patibanda-Sanchez, Secretary of State

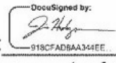
Authentication: 204198668
Date: 06-11-26

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:04 AM 06/11/2026
FILED 08:04 AM 06/11/2026
SR 20263363019 - File Number 10657537

STATE OF DELAWARE
CERTIFICATE OF CONVERSION
FROM A CORPORATION TO A
DELAWARE LIMITED LIABILITY COMPANY
PURSUANT TO SECTION 18-214 OF
THE DELAWARE LIMITED LIABILITY COMPANY ACT

1. The jurisdiction where the corporation was first formed is California
and the date the corporation first formed is 04/26/2012.
2. The jurisdiction immediately prior to filing this Certificate is California.
3. The name of the corporation immediately prior to filing this Certificate is
CALIFORNIA HOME ENERGY EFFICIENCY RATING SERVICES.
4. The name of the limited liability company as set forth in the Certificate of
Formation is California Home Energy Efficiency Rating Services, LLC.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the
11th day of June, A.D. 2026.

By: 
Authorized Person

Name: James C. Hodgson
Print or Type

2. Certificate of Formation

California Home Energy Efficiency Rating Services, LLC (Delaware)

Delaware

The First State

Page 1

*I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE
STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A
TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF
"CALIFORNIA HOME ENERGY EFFICIENCY RATING SERVICES, LLC" FILED
IN THIS OFFICE ON THE ELEVENTH DAY OF JUNE, A.D. 2026, AT 8:04
O`CLOCK A.M.*



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SR# 20263363019

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in cursive script, reading "C. P. Sanchez".

Charuni Patibanda-Sanchez, Secretary of State

Authentication: 204198668
Date: 06-11-26

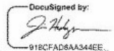
State of Delaware
Secretary of State
Division of Corporations
Delivered 08:04 AM 06/11/2026
FILED 08:04 AM 06/11/2026
SR 20263363019 - File Number 10657537

STATE OF DELAWARE
CERTIFICATE OF FORMATION
OF LIMITED LIABILITY COMPANY

The undersigned authorized person, desiring to form a limited liability company pursuant to the Limited Liability Company Act of the State of Delaware, hereby certifies as follows:

1. The name of the limited liability company is _____
California Home Energy Efficiency Rating Services, LLC

2. The Registered Office of the limited liability company in the State of Delaware is located at 838 Walker Road, Suite 21-2 _____ (street),
in the City of Dover _____, Zip Code 19904. The
name of the Registered Agent at such address upon whom process against this limited
liability company may be served is _____
Registered Agent Solutions, Inc.

By:  _____
Authorized Person

Name: James C. Hodgson _____
Print or Type