DOCKETED	
Docket Number:	24-OIR-03
Project Title:	Energy Data Collection - Phase 3
TN #:	271914
Document Title:	Sandy Reinhart Comments - Docket number 24-OIR-03 - Energy Data Collection - Phase 3
Description:	N/A
Filer:	System
Organization:	Sandy Reinhart
Submitter Role:	Public
Submission Date:	8/10/2026 11:50:42 AM
Docketed Date:	8/10/2026

Comment Received From: Sandy Reinhart
Submitted On: 8/10/2026
Docket Number: 24-OIR-03

Docket number 24-OIR-03 - Energy Data Collection - Phase 3

Commissioners re: Docket 24-OIR-03,

ARe: Docket No. 24-OIR-03 â€" Energy Data Collection, Phase 3
Dear Commissioner McAllister and Members of the California Energy Commission:
My name is Sandy Reinhart, and I am Director of Finance for Johnstone Supply Orion Group, a family-owned HVACR wholesale distribution business that has served California contractors since 1984. We operate locations throughout Central and Northern California and employ Californians who support the heating and air-conditioning contractors who, in turn, serve homeowners and businesses across the state.
I'm submitting these comments to provide the finance and operations perspective on the Commission's proposed equipment data-reporting requirements. I understand and support the CEC's goal of obtaining better information for energy forecasting and electrification planning. But as the person who has to build the budget, staff the project, and account for the risk this rule creates, I don't believe the proposal as drafted has been costed or scoped realistically â€" and I'm concerned about what it would expose on our balance sheet of intangible assets: customer trust and proprietary business data.
Customer data is a business asset, and this rule asks us to put it at risk
Our customer relationships are among the most valuable assets we carry, even though they never appear on a balance sheet. They represent decades of accumulated trust, credit history, and purchasing patterns that took years to build and cannot be quickly rebuilt if damaged.
The proposed rule would require us to transmit customer names, addresses, contractor identifiers, model-level purchases, and unit volumes directly to the state. From a risk-management standpoint, every additional party that touches sensitive data is another point of potential exposure â€" through unauthorized access, interagency sharing, or use beyond the original intent â€" regardless of confidentiality designations. That is a risk I would flag in any board discussion of enterprise risk, and it's one this rule would create without a corresponding benefit to our business.
The implementation cost is materially understated
I want to be direct about the operational and financial burden here, because I don't think the Commission's cost assumptions reflect what this project would actually require.
Our ERP system runs inventory, purchasing, customer accounts, pricing, sales orders, branch transfers, warehouse fulfillment, and returns across multiple locations. It was built to run a distribution business, not to produce a state equipment-sales registry. The data the CEC is requesting doesn't sit in one clean, reportable table â€" building it would require:
â€¢ Mapping thousands of product records into the CEC's required categories
â€¢ Determining which transactions and transfers actually qualify as reportable sales
â€¢ Linking equipment data to customer, contractor, address, model, and quantity

records
â€¢ Cleaning up inconsistent or incomplete customer records
â€¢ Distinguishing California installation sales from inventory purchases, transfers, returns, and equipment that may later move out of state
â€¢ Building validation, correction, certification, and record-retention processes
â€¢ Committing time from IT, ERP consultants, accounting, operations, legal, and leadership
That list represents a multi-department capital and labor commitment, not a report I can pull in an afternoon. And it wouldn't be a one-time cost â€" it would create an ongoing compliance obligation to verify data that may never precisely reflect where equipment is ultimately installed or how components are combined into a finished system. That's a recurring line item with no offsetting revenue, which is exactly the kind of unfunded mandate that erodes margin over time.
HARDI has noted that distributor ERP records don't necessarily track the physical movement and selection of equipment in the warehouse, that wholesale fulfillment differs operationally from retail checkout, and that member companies run many different ERP systems â€" including heavily customized ones â€" which makes implementation cost highly variable and difficult to pin down. Based on our own systems, I agree with that assessment, and I don't think a single statewide cost estimate can responsibly capture that variability.
A better path: support HARDI's third-party aggregator proposal
I support the alternative proposal HARDI submitted on July 8, 2026, and would encourage the Commission to view it as the more fiscally sound path for both distributors and the state.
Under that proposal, distributors would report to a CEC-approved independent third-party aggregator, which would standardize, validate, classify, aggregate, suppress, and anonymize the data before it reaches the Commission. The CEC would still get usable, policy-relevant information â€" without taking direct custody of individual distributors' customer lists, contractor identities, addresses, or transaction-level sales records.
From where I sit, that structure meaningfully changes the risk-and-cost equation. It reduces our direct data-security exposure, limits the scope of what any one company has to build and maintain internally, and gives distributors confidence that commercially sensitive information isn't sitting in a state database indefinitely. At minimum, I'd ask the Commission to adopt HARDI's proposed safe harbor, so that companies reporting through the Unitary Market Intelligence Program or another qualified CEC-approved aggregator are deemed to have met their obligation â€" and to keep that safe harbor open to any aggregator that meets CEC standards, not just HARDI members.
Conclusion
I respectfully ask the Commission not to adopt the rule in its current form. Direct reporting of customer-, contractor-, seller-, model-, and transaction-level data to the state creates cost and risk exposure that hasn't been adequately scoped, and it puts a valuable business asset â€" customer trust â€" at unnecessary risk.
I'd urge the CEC to adopt HARDI's independent aggregator model, or at minimum its approved-aggregator safe harbor, and to limit what the Commission itself receives to properly aggregated and anonymized data. That approach still gets you the market intelligence you need for energy policy, while avoiding compliance costs that would

ultimately be passed through to California contractors and, from there, to consumers.
Thank you for considering these comments.
Sincerely,
Sandy Reinhart
Director of Finance
Johnstone Supply Orion Group
dd your message Sandy Reinhart