

DOCKETED

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ACCA Comments on Serial Number Tracking

Additional submitted attachment is included below.



Air Conditioning Contractors of America

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November 2, 2018

By E-Mail: doCKET@energy.ca.gov

The Honorable Andrew McAllister
Commissioner
California Energy Commission
Dockets Unit, MS-5
1516 Ninth St.
Sacramento, CA 95814-5512

Re: Comments on CEC's Request for Written Comments for the Improving Energy Compliance of Central Air Conditioning and Heat Pump Systems, Docket No. 2017-EBP-01

Dear Commissioner McAllister:

Thank you for your public service and leadership on energy efficiency programs that impact the heating, ventilation, air conditioning, and refrigeration (HVACR) industry. The Air Conditioning Contractors of America (ACCA) values our relationship with you and other professionals at the California Energy Commission (CEC). We are also thankful for the opportunity to work alongside you in your new role as Chairman of the Board of the National Association of State Energy Officials (NASEO).

ACCA is the national association of HVACR contractors, with a membership of approximately 3,000 contracting companies representing more than 60,000 professionals, including technicians, installers, and other industry specialists. ACCA also represents many of the industry's leading manufacturers as corporate sponsors of our association, as well as municipal governments and trade schools.

ACCA members are widely recognized as the leading contracting companies across the U.S. They are responsible for ensuring that our food supply is fresh, making modern medicine possible, preserving the cooling systems in data centers, and providing essential comfort to nearly every American. ACCA's members view their profession as more than a comfort provider, but as an essential component of modern life and our economy.

ACCA has been integral in the discussions surrounding equipment registration tracking, commonly referred to as serial number tracking. When Senate Bill (SB) 1414 was introduced by Senator Wolk on February 19, 2016, ACCA, along with our industry partners at HARDI and AHRI, spoke with the Senator's staff about her legislation. Specifically, we opposed the creation of a system to track the sales and installations of HVACR systems. While each of our organizations supports efforts to increase compliance with California law, we did not believe that serial number tracking (SNT) systems were a sensible proposal.

For several months, ACCA and our industry partners negotiated with Senator Wolk's office to amend SB 1414, advocating for the removal of language pertaining to SNT. We argued that if the Senator's goal was

to increase compliance with California law, then they should address the problems that discourage contractors from pulling permits.

ACCA stated that to increase permit compliance, California should create a uniform statewide permit, rather than having hundreds of separate and confusing permitting jurisdictions. ACCA also stated that the current level of enforcement is not adequate or equitable. Too often, professional contractors believe that they are the targets of enforcement actions because they are very visible in their communities, while those who operate from, as an example, the back of an unmarked truck/van, are rarely held accountable. Additionally, homeowners who hire illegal contractors are not held accountable for their actions.

ACCA also argued that California should create an online permitting system. Currently, contractors are required to send staff to apply for permits, which requires them to wait hours at a time. These are costs that are passed on to consumers, which makes them less competitive against installers who operate outside of the law. An online permitting system, we argued, would save an extraordinary amount of time for contractors, which would save their customers money.

ACCA also highlighted widely stated problems with code officials: they are not adequately trained to inspect HVACR systems and they are rarely punctual for their inspections. ACCA members believe that code officials should be trained on quality installation practices and held accountable if they were not on time for their inspections.

Lastly, ACCA indicated to Senator Wolk's office that we did not believe that unscrupulous HVACR installers would suddenly abide by a new regulation. If installers are already working around the regulatory structures in California, we did not believe that a new regulation would bring those actors into compliance, particularly given that enforcement mechanisms on these individuals are seen, by many, as non-existent.

After months of negotiations with the Senator's office and highlighting the concerns of professional contractors, Senator Wolk's office agreed to amend SB 1414. References regarding SNT were stricken from the legislation. On June 15, 2016 [ACCA dropped our opposition](#) to SB 1414.

ACCA was clear in our discussions with her office and the Assembly Committee on Utilities and Commerce that SNT would not have our support. And, ACCA continues to oppose efforts to implement SNT systems in California.

Pursuing SNT systems disregards the spirit of the negotiations with Senator Wolk's office and the Committee on Utilities and Commerce. If the CEC pursues an SNT system, it would be to the detriment of future negotiations between policy makers and industry professionals. As ACCA works with policy makers in California to address issues in the HVACR industry, we would fear that policy makers would not be working with ACCA in good faith. This would be a direct result of the CEC pursuing an SNT system as it works to implement SB 1414.

California's professional HVACR contractors believe that the best way to increase permit compliance is by addressing the concerns ACCA raised with Senator Wolk's office and in our June 15, 2016 letter to the Committee on Utilities and Commerce.

California should create a uniform online permitting system that will save contractors time and money, enabling them to be more competitive with unlicensed/unqualified installers who operate outside of the law. To accompany this, California should have a more robust and equitable enforcement program. Coupled together, these actions will help professional contractors compete against those who do not pull permits. During the CEC's August 3, 2018 workshop, Kristin Heinemeier stated that contractors who comply with permitting regulations have costs that are 73 percent higher than installers who do not pull permits.

The CEC should require code officials and inspectors to be trained on proper HVACR installation practices, in accordance with the nationally recognized ANSI/ACCA Quality Installation Standard. ACCA's members report that inspection officials have little understanding of equipment sizing and selection, air flow, and duct diagnostics – the essential components of a quality installation.

The CEC should also be deferential to HVACR professionals who pull permits and request inspections from enforcement officials. Contractors regularly report that code officials are late or miss appointments all together. This typically results in the code official requiring the contractor to schedule a new appointment and devote valuable time and energy to correct a problem that the contractor did not create. This must be addressed by the CEC if they want professional contractors to believe that the CEC empathizes with their concerns.

California should undertake a robust consumer education program, informing homeowners about the dangers of hiring unqualified installers who do not pull permits. California, as part of an equitable enforcement program, should also consider holding homeowners accountable if they hire contractor who does not pull a permit. This would be a significant step that levels the playing field and has the full support of professional contractors.

Lastly, the CEC should hold discussions with contractors regarding continuing education programs to maintain an HVACR license. ACCA has a history of supporting continuing education requirements in other states and would welcome the opportunity to discuss these efforts in California. We believe that most professional contractors already take part in ongoing training and education to ensure they are informed on new topics, like refrigerant changes, market innovations, and efficiency programs. Therefore, those contractors who regularly seek out ongoing training would be rewarded for maintaining a high level of professionalism.

Thank you for the opportunity to comment on this important issue. ACCA has been working with California policy makers for more than 2 years, and we want to maintain a relationship built on good-faith negotiations and a joint vision to support contractor excellence.

Sincerely,

Todd Washam
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Air Conditioning Contractors of America

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