

DOCKETED

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*Comment Received From: Ross Johnson
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ENR and the CA Franchise Tax Board

To: California Energy Resources Conservation and Development Commission
Re: Comments Regarding Improving Energy Compliance of Residential Air-conditioners and Heat Pumps (SB-1414). Docket # 17-EBP-01

Thank you for the opportunity to comment on SB-1414.

Enforcement of California's HVAC rules and requirements is necessary to level the playing field for the businesses that comply with California's HVAC laws. Businesses that seek to protect homeowners and the environment by meeting Title-24 and the permitting requirements, suffer a severe disadvantage compared to businesses that operate in the underground cash market. As discussed on this docket, it is simply cheaper for businesses not to comply. However, when businesses refuse to comply, homeowners are harmed because they are deprived the system performance and health and safety protections that come with inspections. Building departments municipalities, and tax payers are also hurt.

The California Energy Commission may want to consult with California's Franchise Tax Board to better quantify the economic advantage obtained by HVAC businesses working in the underground market. The FTB may be interested in the lost revenue to the state from businesses that choose not to comply with the law. The FTB may be inclined to support the measures proposed to this Docket, such as Equipment Number Registration, that would lead to real changes in the marketplace. HVAC businesses that abide by the rules, comply with the law, and pay permit fees and taxes must be supported by real change to the industry.

Thank you for the opportunity to comment.

Ross Johnson, CPA