

DOCKETED

Docket Number:	17-EBP-01
Project Title:	Improving Energy Compliance of Central Air-Conditioning and Heat Pump Systems
TN #:	225046
Document Title:	AHRI Comments Presentation - Increasing Compliance from Manufacturers' Perspective
Description:	N/A
Filer:	System
Organization:	AHRI
Submitter Role:	Public
Submission Date:	10/19/2018 2:56:12 PM
Docketed Date:	10/19/2018

Comment Received From: AHRI
Submitted On: 10/19/2018
Docket Number: 17-EBP-01

Presentation - Increasing Compliance from Manufacturers' Perspective

Additional submitted attachment is included below.

INCREASING COMPLIANCE FROM MANUFACTURERS' PERSPECTIVE
Presentation to California Energy Commission
September 26, 2018

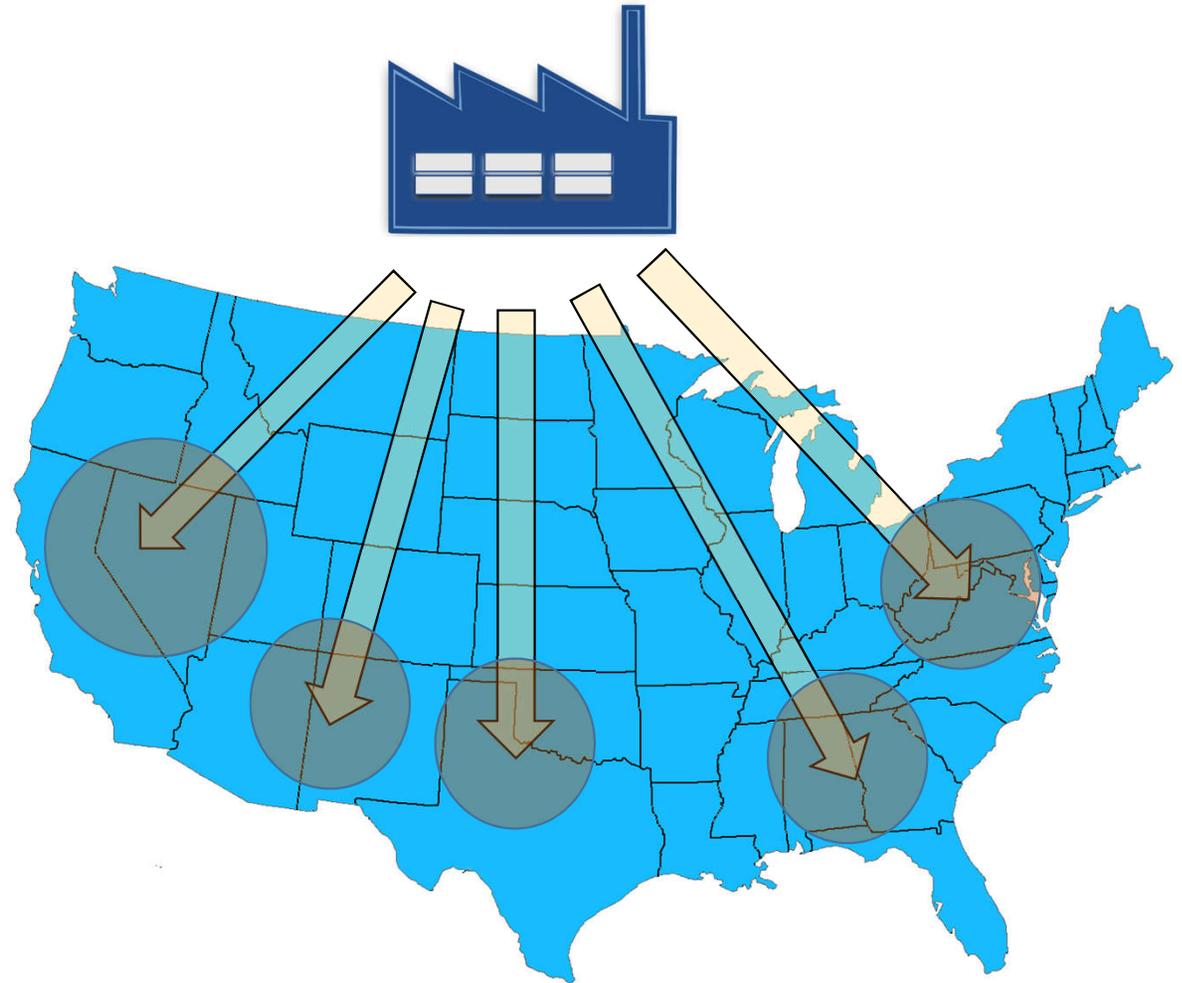


Manufacturers Can't Predict Where Equipment Will Be Installed

Units are shipped from the factory to regional and local distribution locations nationwide without respect to state borders

Distribution center areas don't follow state borders

Impossible to predict which units are going to be installed in California



Manufacturers Aren't Present at the Location of the Violation

Violations are being committed by individuals, either technicians or DIY homeowners

Violations occur at the point of installation

Licensure is not a guarantee that permits are being pulled

Digital Tracking proposes new obligations and burdens on entities not associated with violations



Digital Tracking Won't Lead to Higher Compliance Rates

Digital Tracking is unlikely to compel compliance by existing scofflaws

Non-compliant individuals will continue to evade detection by not filing for permits

Unless all equipment intended for installation in the entire US (imported and domestically manufactured) is digitally tracked, an incomplete paper trail will leave gaps

Digital Tracking Won't "Find" Non-Compliant Installs

HVAC equipment currently enters the state via internet sales or cross border distribution

Investigations initiated by discovery of non compliant install won't always track back to find installer

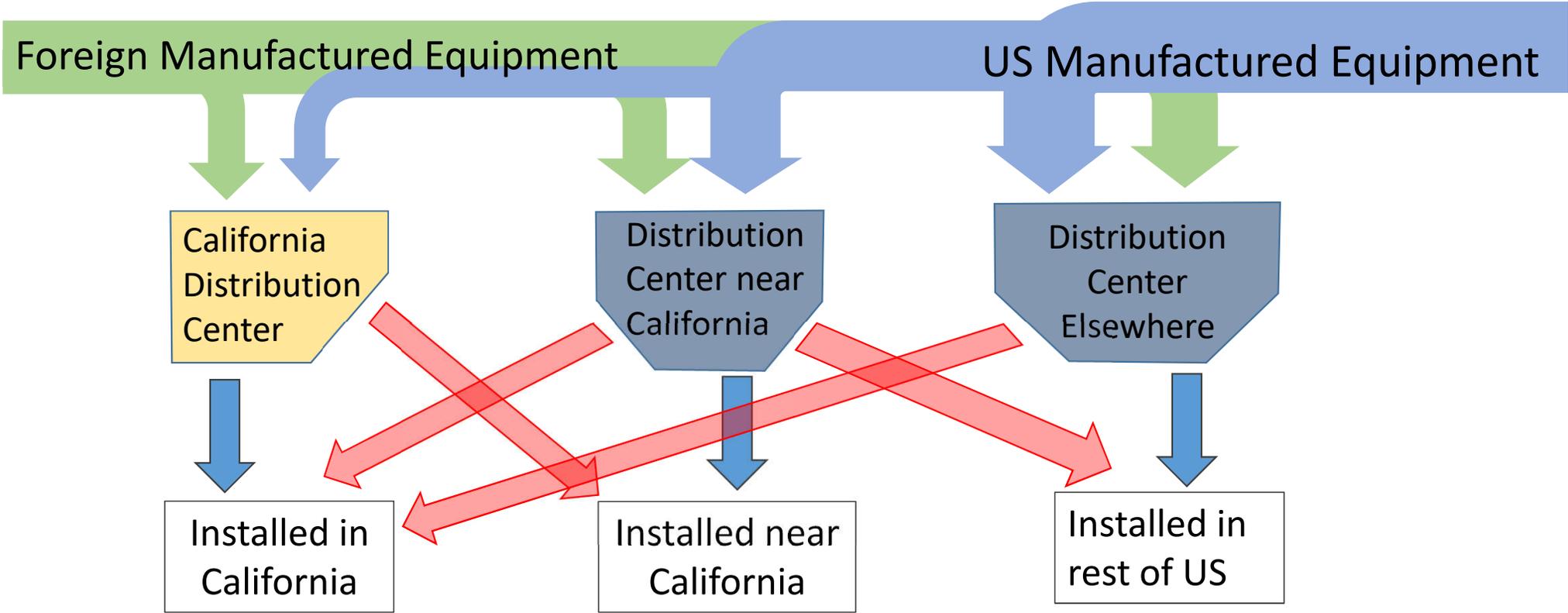
Gaps in serial number sequences won't identify the source of the equipment

The key to digital tracking is being able to match serial numbers from one list to another. Gaps will undermine any tracking effort

Digital Tracking Won't Assist Enforcement

- Meeting compliance goals would require significant additions to staff and resources
 - If compliance is at 10% today with the existing workforce stretched to keep up, what does that workforce have to be to achieve 90% compliance?

Supply Channel for HVAC Equipment



Actors in Supply Chain of Possession				
OEMS	Distributors		Contractors	
SNs for All Outdoor Units Intended for US	Distribution Center (DC) Location (CA, Near CA, Elsewhere)		Reported SN as part of Compliance Scheme	
	Result			
XYZ001	Sent to DC in California	XYZ001	XYZ001	Totally Compliant
XYZ002		XYZ002	CYZ002	Fat finger error leads to No Match situation
XYZ003		XYZ003		Unknown outcome. Still in DC Inventory? Contractor Inventory? Installed in Oregon?
XYZ004		XYZ004	XYZ004	Permit Application compliance but no follow up by HERS Rater
XYZ005		XYZ005	XYZ005	Permit Application by no inspection or HERS Rater
XYZ006		XYZ006		Non Compliant; contractor evaded permit process
XYZ005	Sent to DC Near California	XYZ007	XYZ005	Compliant install of equipment from out of state
XYZ006		XYZ008		Non compliant install of equipment from out of state
XYZ007		XYZ009		Installed out of state
XYZ008		XYZ010	XYZ010	Compliant; Equipment purchased directly by homebuilder from manufacturer through national account (multifamily unit)
XYZ009	Sent to DC Elsewhere in the US	XYZ011	XYZ009	Compliant: Arrived in California from Distribution Center in Colorado
XYZ010		XYZ012		Non compliant; internet sale (from NJ) to evade permitting requirement
XYZ011		XYZ013		Unknown outcome, most likely installed outside of California
XYZ012		XYZ014		Unknown outcome, most likely installed outside of California

HVAC Registries are Not Simple to Create or Manage and Contain Legal Risks

Submitting data is time consuming, prone to errors, and does not guarantee compliance

Equipment entering state via internet sales or cross border distribution might evade tracking

Investigations initiated by discovery of non compliant install won't track back to the installer

Gaps in serial number lists won't identify non-compliant installers

OEMs have concerns about risk of confidential business information disclosed via security breach

Existing HVAC data bases are problematic

OEMs also have concerns about new California Privacy Laws

Practical and Feasible Solutions to Previously Identified Gaps

Simplified and Harmonized On-line Statewide Permitting Process

- For HVAC installs, including emergency installs
- Resolve issues with multiple permits for HVAC installs

Simplification of administrative requirements specified in Section 10-103 of Title 24 (forms CF1R, CF2R, and CF3R)

City of Davis – Point of Sale Inspection Models

- Statewide implementation

Contractor Education

- State PSAs, Trade Association Outreach, Dealer networks, distributor counter info
- Technician Certification & Contractor Accreditation with Continuing Education Requirements
 - Rheem Innovation Lab in Oxnard, CA
 - Other Examples

Practical and Feasible Solutions to Previously Identified Gaps

Homeowner or Building Owner Education

- State PSAs & bill stuffers on energy losses and safety concerns, web ads on Angie's List or Google
- Incentives to hire licensed contractors

Enforcement of scofflaws at the local level

- Resources, personnel, active sting operations