CERNO GLOBUS | FIELD INTELLIGENCE

Issue 001 Monday, August 17, 2026 · Biweekly, 4 pages

Building & Mechanical

HVAC · Plumbing · Electrical · Solar & Storage · Commercial Refrigeration

Five trades, one publication. Every item is something that moves a number on your P&L, changes what you must do by law, or changes what parts and labor cost you.

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SUPPLY · EVERY TRADE IN THIS ISSUE

Section 232 tariffs cut residential HVAC duty to 15%, but commercial refrigeration, copper pipe and electrical wire still pay 25% as copper hit a record $6.71 a pound.

A June 1, 2026 proclamation (Proclamation 11032) cut the Section 232 tariff on residential HVAC systems from 25 percent to 15 percent, effective June 8, 2026, through December 31, 2027. The relief is narrow: agricultural and mobile industrial equipment got the same cut, but commercial and industrial HVAC stayed at 25 percent. The proclamation amended April's action moving Section 232 duties onto full customs value of steel, aluminum and copper derivatives, with rates from 10 percent for goods with substantial U.S.-melted-and-poured content up to 50 percent for products almost entirely made of the three metals.

That two-tier structure mostly bypasses plumbing, electrical and refrigeration contractors: copper pipe, wire, conduit and refrigeration compressors and cases are not named in the June carve-out, and CBP has not published guidance on which HTS codes qualify (Dimerco). Copper keeps getting pricier: COMEX hit $6.7140 a pound on August 12, 2026, a record that broke one set a week earlier, up 18 percent year to date and 47 percent over twelve months — driven partly by a 50 percent tariff on semi-finished copper since August 2025 and a domestic-scrap set-aside rising from 25 percent to 40 percent of exports by 2029.

Distributors are already passing costs through: Plumbing & Mechanical's August 2026 tracker shows American Tube & Pipe and Wheatland Pipe raising prices 8 percent effective August 1, Legend Valve 3 to 25 percent by category, Eaton B-Line 4.5 to 10 percent effective August 2, and Matco Norca 4 to 11 percent effective August 31. Supply House Times reports wholesalers citing cumulative hikes of 15 to 35 percent across copper, steel and PVC since tariff uncertainty began, on margins the trade press calls "paper-thin." HVAC equipment alone has seen roughly $12 in per-unit cost swings tied to the changes.

The residential HVAC relief is also temporary: rates revert on January 1, 2028 absent further action, so any savings baked into 2026-2027 bids and contracts should be treated as a window, not a floor. Owners who buy or install copper pipe, panel gear, wire, or refrigeration compressors and cases are carrying the full 25 percent duty with no announced sunset and no confirmed reclassification path. Layer on record copper prices and monthly manufacturer increases, and material cost is now a monthly variable rather than an annual one for every trade in this publication except residential HVAC installers.

> **What to do about it:** Pull your last three purchase orders for copper pipe, wire, panels and refrigeration components and check whether the supplier has already applied a tariff surcharge separate from list price. Call your main distributor this week and ask in writing whether the 15% HVAC-carve-out rate applies to any product you buy, or confirm you are still paying the 25% rate — get the HTS classification, not just a verbal assurance. Where contracts run past January 1, 2028, add a tariff-adjustment or price-escalation clause now rather than eating a rate snap-back later. If copper is a large share of a bid, price materials at delivery-date cost, not order-date cost, and consider locking supplier pricing ahead of scheduled fall price rounds. Flag any job with heavy commercial refrigeration or electrical-panel content for a second look, since those categories carry the full 25% duty with no relief in sight.

Federal Register: Further Adjusting the Tariff Regimes for Imports of Aluminum, Steel, and Copper Into the United States · Copper price touches fresh Comex record as squeeze in London hits hardest of the year - MINING.COM · PHCP-PVF Price Increases: August 2026 - Plumbing & Mechanical

HVAC

TWO ITEMS

MONEY

A June 8, 2026 tariff cut drops the Section 232 duty on residential HVAC systems from 25% to 15% through the end of 2027, but commercial units stay at 25%.

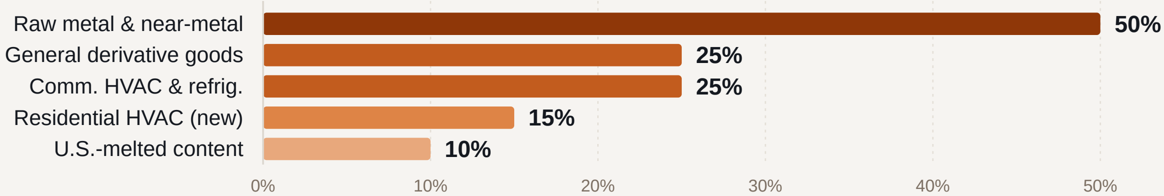
Why it matters: Proclamation 11032 (June 1, 2026) took effect 12:01 a.m. EDT June 8, following an April 6 rule that applied Section 232 duties to the full customs value of steel, aluminum and copper derivatives, pushing many products to 25% or 50%. Only equipment marketed as predominantly residential qualifies for 15%; commercial, industrial and light-commercial split systems sold through the same distributors stay at 25%, so mixed installers will see two duty treatments on similar-looking equipment. Eligibility also depends on country of origin and metal content matching the proclamation's definitions, which CBP has not fully detailed in public guidance. This week: ask your distributor for a written SKU-by-SKU breakdown of which units carry 15% versus 25%, and build that into bids due after the relief window closes.

Federal Register: Further Adjusting the Tariff Regimes for Imports of Aluminum, Steel, and Copper Into the United States · HVAC Equipment Gets a Break as Section 232 Tariffs Are Revised - Contracting Business

INFOGRAPHIC 1 / TARIFF RATES BY CATEGORY

Section 232 duties now vary sharply by what a contractor buys, not just what metal is inside it.

Ad valorem tariff rate on the full customs value of steel, aluminum and copper products and derivatives, by category, as of the June 8, 2026 proclamation. Source: Federal Register, Proclamations 11021/11032.



Residential HVAC and agricultural equipment got a June 2026 carve-out to 15%, but everything else a trades owner buys — copper pipe, wire, panels, refrigeration gear — still sits at 25% or higher. Products almost entirely steel, aluminum or copper can hit 50%; only goods with substantial U.S.-melted-and-poured content qualify for the 10% tier. For most trades outside residential HVAC, the rate has not moved from 25%. Source: Federal Register: Further Adjusting the Tariff Regimes for Imports of Aluminum, Steel, and Copper Into the United States

HVAC

CONTINUED

REGULATION

EPA's July 27, 2026 rule scraps the installation deadline for pre-2025 higher-GWP residential and light-commercial HVAC units, letting contractors keep selling legacy stock.

Why it matters: The reconsidered AIM Act Technology Transitions rule removes the installation deadline for R-410A-era units manufactured or imported before January 1, 2025; equipment made after that date still must meet the 700 GWP cap driving the shift to A2L refrigerants like R-454B. EPA estimates the change saves $976 million in engineering and compliance costs across covered sectors. Nineteen state attorneys general plus Washington, D.C. and New York City sued in the D.C. Circuit on July 21, 2026, arguing the rollback violates the AIM Act's phasedown schedule, so durability isn't settled. Dealers sitting on R-410A inventory face no forced write-off, but the GWP cap on new manufacture is unchanged. This week: inventory pre-2025 manufactured equipment in stock or on order and confirm with your distributor it is documented as manufactured before January 1, 2025, in case the rule is stayed or vacated.

Federal Register: Phasedown of Hydrofluorocarbons: Reconsideration of Certain Regulatory Requirements Promulgated Under the Technology Transitions Provisions · Technology Transitions HFC Restrictions by Sector - US EPA · Attorney General Brown Joins Lawsuit Challenging Trump Administration Rule That Weakens Regulation of Highly Potent Greenhouse Gas - Maryland OAG

PLUMBING

TWO ITEMS

MONEY

Plumbing and HVAC/R distributors posted a fresh round of manufacturer price increases in August 2026, from 3% on some valve lines to 25% on others.

Why it matters: Plumbing & Mechanical's August 2026 tracker lists ten-plus manufacturers raising prices that month: American Tube & Pipe and Wheatland Pipe up 8% effective August 1, Legend Valve up 3% to 25% by category, Eaton B-Line up 4.5% to 10% effective August 2, Wesanco-ZSI up 4% to 9%, and Matco Norca up 4% to 11% effective August 31; Amana, Navien and RectorSeal also raised water-heating prices in the same window. Supply House Times reports wholesalers citing cumulative increases of 15% to 35% across copper, steel and PVC since tariff pressure began, on margins it calls "paper-thin." The increases stack on a 50% federal tariff on semi-finished copper since August 2025 and rising steel and aluminum duties. This week: pull open bids priced before August 1, get updated quotes in writing before locking a customer price, and ask your top three suppliers whether more increases are scheduled before year-end.

PHCP-PVF Price Increases: August 2026 - Plumbing & Mechanical · New tariffs on copper: What this means for distribution margins - Supply House Times

DEMAND

EPA's Lead and Copper Rule Improvements still requires utilities to replace all lead service lines within 10 years, with inventories and replacement plans due November 1, 2027.

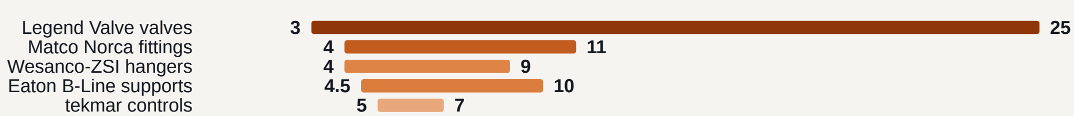
Why it matters: Finalized October 8, 2024, EPA estimates benefits at up to 13 times compliance cost. Virginia's guidance requires a baseline inventory, replacement plan, and list of served schools and childcare facilities by November 1, 2027, corrosion-control confirmation by December 31, 2027, and semiannual tap sampling for at-risk systems starting January 2028 — a timeline other states are following. EPA has directed $2.6 billion from the Drinking Water State Revolving Fund plus $35 million in WIIN Act grants toward replacement work, flowing through utilities to the contractors who dig up and reconnect lines. Utilities are challenging the rule in the D.C. Circuit (American Water Works Association v. EPA); briefing closed April 17, 2026, oral argument expected fall 2026. This week: contact your local water utility about its lead service line inventory and how it is procuring replacement labor, and get on any pre-qualified contractor list before the 2027 crunch.

Lead and Copper Rule Improvements - US EPA · Preparing for the 2027 Lead and Copper Improvements Rule - Virginia Department of Health · American Water Works Association et al. v. EPA (Lead and Copper Rule Improvements) - NRDC

INFOGRAPHIC 2 / AUGUST PRICE-SHEET SPREAD

Plumbing and HVAC/R distributors posted list-price increases ranging from 3% to 25% in a single August 2026 price round.

Range of percentage price increases announced by manufacturer for August 2026, by product line. Source: Plumbing & Mechanical, "PHCP-PVF Price Increases: August 2026."



Ten manufacturers raised plumbing and HVAC/R list prices in the same August 2026 cycle, and increases were not uniform even within one catalog. Legend Valve's spread ran 3% to 25%, the widest in the tracker. Distributors call margins already thin, so owners who do not reprice open bids fast risk absorbing the increase. Treat any quote older than a few weeks as stale until checked against the latest price sheet. Source: PHCP-PVF Price Increases: August 2026 - Plumbing & Mechanical

ELECTRICAL

TWO ITEMS

MONEY

The federal EV charger tax credit expired for equipment placed in service after June 30, 2026, ending the last surviving home electrification credit.

Why it matters: Section 30C, the Alternative Fuel Vehicle Refueling Property Credit, gave individuals 30% of cost up to $1,000 and businesses 6% up to $100,000 per item (30% with prevailing-wage and apprenticeship compliance). It was the last federal residential clean-energy credit standing after the One Big Beautiful Bill Act ended the 30% solar-and-battery credit and the home-efficiency credit on December 31, 2025. Electricians who priced EV-charger installs around the 30% homeowner discount or the $100,000-per-item business credit are now selling without a federal offset. Eligibility had already narrowed in 2025, when low-income and non-urban census-tract criteria switched to 2020 Census data, disqualifying some previously eligible jobs before the June cutoff. This week: strip the 30% or 6% federal credit from EVSE proposals and marketing, and check whether your state or utility offers a replacement rebate to lead with instead.

Alternative Fuel Vehicle Refueling Property Credit - Internal Revenue Service · EV Charger Tax Credit: Section 30C Expired June 30, 2026 - NuWatt

REGULATION

Texas becomes the first major state to lock in a September 1, 2026 effective date for the 2026 National Electrical Code, with stricter EV-charger rules.

Why it matters: NFPA approved the 2026 NEC September 9, 2025; Texas's rule makes it the statewide minimum for non-exempt work, and licensing exams shift to it September 1. The edition lowers the lighting load calculation from 3VA to 2VA per square foot and drops the first demand-load tier from 10kVA to 8kVA, shrinking calculated service sizes. EV-charger rules tighten too: permanently installed equipment now needs a "qualified person" installer under Article 100, permanent voltage/current markings, and, for non-residential jobs, an emergency disconnect 20 to 100 feet away. Which edition governs depends on when installation begins, not permit date, so contractors mid-project September 1 need to know which applies. Expect a patchwork of 2020, 2023 and 2026 editions across state lines. This week: order the 2026 NEC codebook, confirm which edition applies in each jurisdiction you work, and flag EV-charger bids that assumed non-qualified-person labor rates.

Texas Register, Title 16 Economic Regulation - Texas Secretary of State · Texas Adopts the 2026 NEC Effective September 1, 2026 - IEC Fort Worth Chapter · Top Lighting & EV Charger Changes In The 2026 NEC - LightNOW

SOLAR & STORAGE

TWO ITEMS

REGULATION

A federal appeals court upheld FERC's interconnection-queue overhaul on July 31, 2026, clearing a legal challenge as the queue tops 2,200 gigawatts.

Why it matters: The D.C. Circuit rejected utility and grid-operator challenges to FERC's "first-ready, first-served" cluster-study process. Order 2023 sets firm deadlines for transmission providers to complete interconnection studies, with financial penalties for missing them, aimed at a queue of roughly 2,200 gigawatts of mostly solar, wind and storage projects. Wait times in large regional grids have stretched past eight years, up from under two in the late 2000s — directly affecting how soon a project can bill a customer. The ruling doesn't guarantee faster interconnection everywhere — grid operators still run their own queues — but it removes a legal cloud utilities could have used to delay implementation, confirming the process holds rather than signaling an immediate speed-up. This week: check your grid operator's interconnection-study timeline against the Order 2023 deadlines, and file a complaint with your state utility commission or FERC if a study is overdue.

FERC grid interconnection queue reforms upheld by DC court - PV Tech

MONEY

The 30% residential solar tax credit is gone for systems placed in service since January 1, 2026, leaving only leased or third-party-owned systems eligible.

Why it matters: Section 25D ended for property placed in service after December 31, 2025 under the One Big Beautiful Bill Act, with no phase-down, unlike the credit's original 2032 sunset under the Inflation Reduction Act. Section 48E, covering commercial and third-party-owned systems, was not repealed, so leases and power-purchase agreements can still pass on a tax-credit discount that cash and loan purchases can't. A system pitched as owned in 2025 for 30% less now costs full price, while the same system structured as a lease can still be discounted through the installer's own 48E claim. Section 25C, covering heat pumps and panel upgrades often bundled with solar-plus-storage jobs, also ended December 31, 2025. This week: rebuild sales materials around a lease/PPA structure if you don't already offer one, and get written confirmation from your financing partner on how it claims and passes through the 48E credit so you can quote an accurate net cost.

Green Energy Tax Credits 2026: Federal Status & State Rebates - Joule · Solar Tax Credit 2025: What Changed in 2026? - GreenLancer · Did the Federal Solar Tax Credit End in 2026? - Sunrise Electrical

COMMERCIAL REFRIGERATION

TWO ITEMS

REGULATION

EPA's July 27, 2026 rule raised interim refrigerant GWP limits for cold storage warehouses and remote condensing units, delaying the switch to low-GWP systems until 2032.

Why it matters: The rule raised the interim GWP ceiling for cold storage warehouse refrigeration from 150/300 to 700, and for remote condensing units from 150/300 to 1,400, both good until January 1, 2032, when the original 150/300 limits apply; supermarket systems get the 1,400 interim limit starting January 1, 2027. EPA says this avoids $976 million in compliance and engineering costs industrywide. Existing systems can still be serviced under either limit; full compliance triggers only on new installation or a rebuild replacing 75%+ of a system's components. Nineteen state attorneys general plus Washington, D.C. and New York City sued in the D.C. Circuit on July 21, 2026, arguing the rollback violates the AIM Act's phasedown mandate, so the compliance date is under active litigation. This week: ask your refrigeration contractor which GWP tier any quoted system falls under and get it in writing, since a ruling could move the compliance date before a large installation finishes.

Federal Register: Phasedown of Hydrofluorocarbons: Reconsideration of Certain Regulatory Requirements Promulgated Under the Technology Transitions Provisions · Technology Transitions HFC Restrictions by Sector - US EPA · Weiser Sues Trump EPA Over Hydrofluorocarbons Rule Rollback - Colorado Attorney General

SUPPLY

It's unclear whether commercial refrigeration compressors and cases qualify for June 2026's 15% HVAC tariff rate, or still pay 25%, as copper hits record prices.

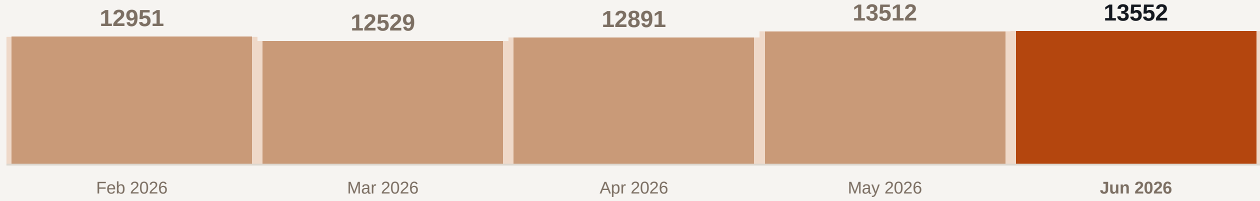
Why it matters: The June 1, 2026 proclamation names agricultural and mobile industrial equipment for the 15% rate, but not commercial refrigeration compressors, condensing units or cases; CBP had not published HTS guidance as of early June 2026, per Dimerco. Distributors cannot say whether a given SKU carries 15% or the 25% rate applying to derivative steel, aluminum and copper products generally. That compounds copper's COMEX record of $6.7140 a pound on August 12, 2026, up 47% over twelve months, raising compressor winding, coil and tubing costs regardless of tariff tier — on top of a 50% tariff on semi-finished copper since August 1, 2025 and a domestic-scrap set-aside rising from 25% to 40% of exports by 2029. Distributors report cumulative increases of 15% to 35% across copper, steel and PVC-adjacent lines. This week: get your supplier's HTS classification and tariff rate in writing for any large order, and do not assume the residential HVAC rate applies without documentation.

Federal Register: Further Adjusting the Tariff Regimes for Imports of Aluminum, Steel, and Copper Into the United States · US Tariff Update 2026 - Dimerco · Copper price touches fresh Comex record as squeeze in London hits hardest of the year - MINING.COM

INFOGRAPHIC 3 / COPPER'S CLIMB

Copper's benchmark price climbed through the spring of 2026, before COMEX hit fresh records in August.

Global price of copper, monthly average, U.S. dollars per metric ton. Source: Federal Reserve Bank of St. Louis (FRED), series PCOPPUSDM.



The global copper benchmark rose in four of five months through June 2026; COMEX hit fresh records twice in August — $6.7045 on August 5 and $6.7140 on August 12, up 18% since January and 47% over twelve months. That compounds a 50% tariff on semi-finished copper since August 2025: contractors absorb trade-policy and commodity-market costs at once. Budget copper-heavy jobs at delivery pricing, not bid-date pricing. Source: Global price of Copper (PCOPPUSDM) - FRED, Federal Reserve Bank of St. Louis

THE BACKGROUND SIGNAL

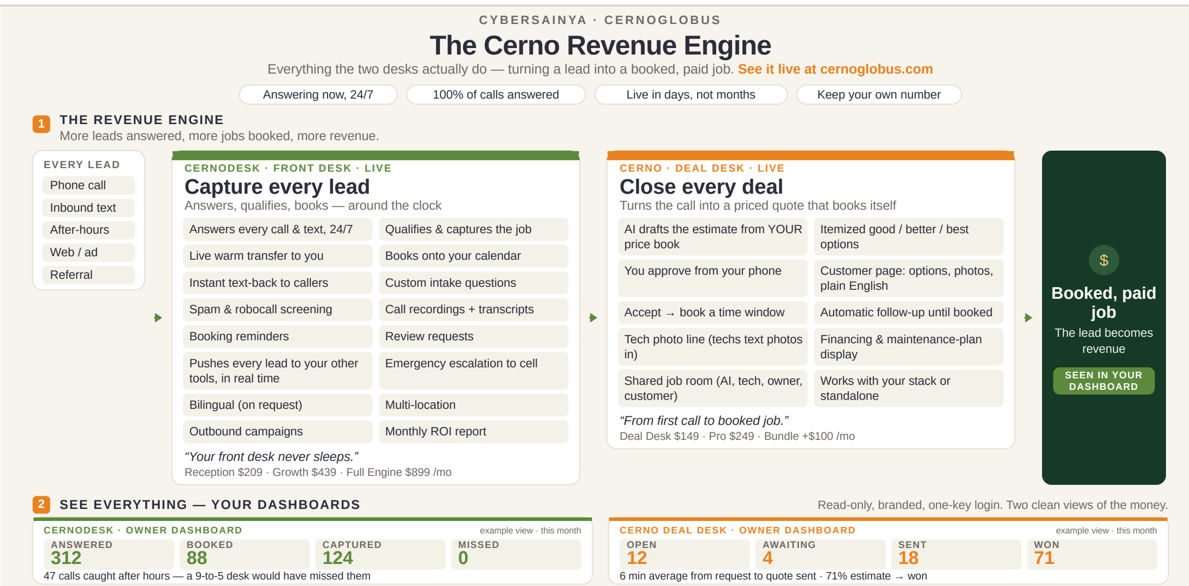
The fraud that reads your invoices before it sends one

The FBI's Internet Crime Complaint Center took 24,768 business email compromise reports in 2025, with losses of $3.05 billion — a record, after dipping to $2.77 billion in 2024 from $2.95 billion in 2023. Across all internet crime it logged 1,008,597 complaints and $20.88 billion in losses. Reported cases only, so read it as a floor.

Business email compromise, not ransomware, is the one that should concern a mechanical contractor. Someone gets into a mailbox, reads until they understand how you invoice and who pays you, then sends a real-looking progress billing with different bank details. No malware, no warning — just a payment that never arrives and an argument about who eats it. A trade that emails quotes, change orders and supplier invoices all day is the shape this is built for. The quieter number is adoption: under 20% of firms with fewer than 20 staff use AI at all.

What to do about it: You don't need a security program. You need multi-factor authentication on email and your accounting login, and one rule everybody follows: nobody changes bank details on the strength of an email or a call — you ring the number you already had on file and confirm. That covers most of it, and costs nothing. The part it doesn't — how the systems are set up — is the day job of our parent company, CyberSainya.

FBI Internet Crime Complaint Center, 2025 Internet Crime Report — reported cases only, rounded from $2,946,830,270, $2,770,151,146 and $3,046,598,558. U.S. Census Bureau, Business Trends and Outlook Survey, May 3, 2026.



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