

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.

IN THIS ISSUE	HVAC Commerce proposed on August 6 adding heat exchanger parts and thirteen other product categories to the Section 232 metals tariffs at 25%; comments closed August 27.	PLUMBING DOE's thermal efficiency standard for gas-fired commercial water heaters binds on October 6, 2026, but the department has said it will not enforce it for a year.	ELECTRICAL An executive order signed August 26 bars acquiring, importing or installing foreign-made transformers, high-voltage breakers and utility-scale inverters on the bulk power system.	 Read it online This issue, and every one before it
	SOLAR & STORAGE Proclamation 11052, signed August 6, sets a \$0.38-per-watt floor on imported solar modules and \$0.22 on cells, plus a 15% duty, starting December 4, 2026.	COMMERCIAL REFRIGERATION EPA's refrigerant rollback took effect in late July and is now being attacked from both directions in the D.C. Circuit, with grocery groups intervening to defend it.	BACKGROUND SIGNAL The invoice fraud that reads your email first	

LABOR · EVERY TRADE IN THIS ISSUE

The IRS confirmed on August 10 that employers must report FLSA overtime premiums in box 12 of the 2026 Form W-2 under a new code TT.

The One Big Beautiful Bill Act created a deduction for qualified overtime compensation: up to \$12,500 a year for a single filer and \$25,000 for joint filers, phasing down once modified adjusted gross income passes \$150,000, or \$300,000 joint. Only the premium portion counts — the extra half in time-and-a-half — and only for hours that section 7 of the Fair Labor Standards Act actually requires. Exempt employees do not generate it. The deduction does not exclude overtime from gross income; it is claimed on the return.

The employer side is what changed. For tax year 2025 separate reporting was optional and employers could use box 14 or a separate statement. For 2026 and later it is required. IRS Fact Sheet FS-2026-13 and the FAQ page updated August 10, 2026 specify Form W-2, box 12, code TT, and say to report the total qualified overtime paid even where it exceeds an employee's deduction cap. Forms 1099-NEC and 1099-MISC are being updated the same way.

The reporting is the gate. An employee may claim the deduction only for an amount separately reported in box 12 under code TT, and Form 4852, the substitute W-2, cannot be used to claim more. If you understate the figure you must issue a Form W-2c and furnish it to the employee. Withholding does not change: you must keep withholding federal income tax on overtime wages and may not cut withholding for the deduction unless the employee hands you an updated Form W-4 using step 4(b).

Questions and answers about the new deduction for qualified overtime compensation · Internal Revenue Service · IRS Fact Sheet FS-2026-13, Qualified Overtime Compensation Deduction · IRS updates overtime deduction FAQs, adds reporting details · Journal of Accountancy

For a mechanical contracting business this is a data problem, not a tax problem. Service, emergency call-out and shutdown work generate FLSA overtime week by week, and most payroll setups record gross overtime pay rather than splitting the straight-time hour from the premium half. The 2026 tax year is already eight months old. Every hour worked since January 1 has to be reconstructable into that split by January, or the W-2s go out wrong and come back as corrections.

What to do about it: Ask your payroll provider this week, in writing, whether it is already capturing the FLSA premium half separately for 2026 and whether it will populate box 12 code TT — get the answer as a product commitment, not a support-chat reply. Have your bookkeeper pull a sample of field payroll from January, April and July and confirm the premium portion can be isolated for each; if it cannot, fix the pay codes now and backfill, because reconstruction gets worse every month. Confirm which crews are actually FLSA non-exempt, since foremen and salaried service managers may generate no qualified overtime at all. Tell field employees before year-end that box 12 will show a number and that changing withholding requires a new Form W-4 from them. Budget for the possibility of W-2c corrections in the first quarter.

HVAC

SUPPLY

Commerce proposed on August 6 adding heat exchanger parts and thirteen other product categories to the Section 232 metals tariffs at 25%; comments closed August 27.

Why it matters: The Bureau of Industry and Security's August 6, 2026 notice gave a 21-day comment window closing August 27. The fourteen categories include heat exchanger parts, electric conductor cables, welding machine parts, fire extinguishers, hydraulic engine and motor parts, cranes, trailers, aluminum powder and filled propane, oxygen and propylene containers. Most carry 25% on metal content;

agricultural trailers 15%, filled steel containers 50% on container value only. Proclamation 11021 of April 2, 2026 put Section 232 duties on full customs value. BIS has published no decision date or HTS list; nothing is dutiable yet. This week: ask your distributor which coil and heat-exchanger numbers fall in scope, and add tariff-adjustment language to parts contracts into 2027.

Federal Register: Request for Public Comments on the Proposed Implementation of Duties on Additional Aluminum, Steel, and Copper Derivative Articles Under Section 232 · U.S. BIS seeks comments on proposed implementation of Section 232 tariffs on additional aluminum, steel, and copper derivative articles · KPMG

TWO ITEMS

DEMAND

AHRI shipment data published in mid-August show June 2026 central air conditioner shipments up 26.8% and air-source heat pumps up 15.1% against June 2025.

Why it matters: Central air conditioners shipped 605,033 units in June 2026 against 477,270 a year earlier. Air-source heat pumps reached 418,538, up 15.1%, and gas warm-air furnaces rose 15.2% to 320,281. Year to date, though, central air conditioners are up only 2.4% at 2.56 million units and heat pumps 3.8% at 2.16 million, while gas furnaces are down 6.2% and January shipments fell 29%. June is a

catch-up month against a weak winter, pulled forward by heat and by pre-buying ahead of the August manufacturer price increases — not a structural upturn. This week: staff and stock to the year-to-date rate rather than June’s, and check whether your own June spike was replacement demand or customers beating a price increase you already announced.

Cooling Equipment Rebounds in Q2 as Heat Pumps Continue to Climb - ACHR News · Monthly Shipments - AHRI

PLUMBING

TWO ITEMS

REGULATION

DOE's thermal efficiency standard for gas-fired commercial water heaters binds on October 6, 2026, but the department has said it will not enforce it for a year.

Why it matters: DOE's May 5, 2026 enforcement policy statement delays enforcement of the thermal efficiency standards for gas-fired storage water heaters, storage-type instantaneous and gas-fired instantaneous water heaters and hot water supply boilers manufactured from October 6, 2026 through October 5, 2027. The standard is unchanged and effectively requires condensing equipment. The relief runs

to manufacturers, not to you: a plans examiner, an owner's spec or a utility rebate can still require the standard. DOE has also accepted a petition to push compliance to January 1, 2030, undecided. This week: ask your rep which non-condensing models will still be built after October 6, and reprice any commercial replacement quoted on non-condensing venting, condensate and gas piping.

Commercial Water Heater Enforcement Policy - U.S. Department of Energy · U.S. Department of Energy Delays Enforcement of Commercial Water Heater Efficiency Standards - PHCC

PLUMBING

CONTINUED

DEMAND

Residential storage water heater shipments fell in the first half of 2026, gas down 3.6% and electric down 5.4%, even though June came in ahead of last year.

Why it matters: AHRI's mid-August data put January-June residential gas storage water heater shipments at 2.15 million units, down 3.6% from 2.23 million, and residential electric storage at 2.49 million, down 5.4% from 2.63 million. June alone was positive but thin: gas up 6.7% to 363,347 units and electric up 0.8% to 422,813. Water heater replacement is the most price-elastic work in a plumbing book — the

customer can defer it until the tank fails, and the first-half numbers say they are, just before the October 6 commercial thermal efficiency date raises the cost of the commercial end of the same catalog. This week: check your close rate against 2025, and stop discounting the tank when the margin is in the labor, venting and code work around it.

Cooling Equipment Rebounds in Q2 as Heat Pumps Continue to Climb - ACHR News · Monthly Shipments - AHRI

ELECTRICAL

TWO ITEMS

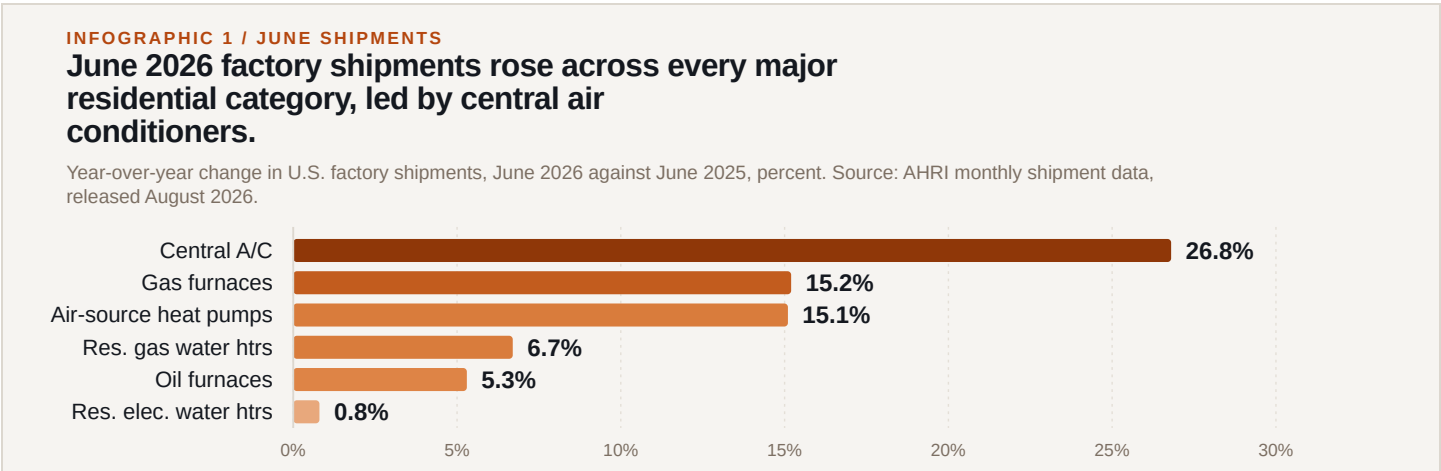
SUPPLY

An executive order signed August 26 bars acquiring, importing or installing foreign-made transformers, high-voltage breakers and utility-scale inverters on the bulk power system.

Why it matters: The order, "Declaring a National Emergency to Secure the United States Bulk Power System," also covers voltage regulators, capacitors, grid-connected battery storage, industrial control systems, PLCs, remote terminal units and generation turbines, plus their software and firmware, from 24 designated countries. It reaches transmission at 69 kV and above, on transactions initiated after

August 26, 2026. Assets connecting only to low-voltage distribution are excluded, so most service and building work is untouched. DOE has 120 days, to about December 24, 2026, to publish rules, so today's scope is not final. This week: on any job touching a 69 kV or higher asset, get country of origin in writing before releasing a purchase order, and rebuild substation lead times.

Executive order bans foreign-produced transformers, inverters and circuit breakers for U.S. power grid - pv magazine USA



One strong month does not make a year. Central air conditioners shipped 605,033 units in June, up 26.8%, but year to date they are up only 2.4% and gas furnaces are down 6.2% after a January that fell 29%. June looks like deferred replacement plus customers buying ahead of the August price increases. Staff and stock to the year-to-date rate, not to June. Source: [Cooling Equipment Rebounds in Q2 as Heat Pumps Continue to Climb - ACHR News](#)

MONEY

The producer price index for copper wire and cable hit 578.2 in July 2026, up 8.3% since April, in figures the Bureau of Labor Statistics released August 13.

Why it matters: The BLS commodity index for copper wire and cable, series WPU10260314 on a December 1986 = 100 base, not seasonally adjusted, read 533.808 in April, 564.877 in May, 577.166 in June and 578.187 in July 2026 — 8.3% in three months and the high of the run. Overall producer prices were flat in July, so wire is moving on its own. The Bureau of Industry and Security's August 6 notice also proposes adding certain electric conductor cables to the Section 232 metals tariffs at 25% on metal content; comments closed August 27 and no decision date has been published. This week: reprice wire and cable at order date rather than bid date, and on anything installing more than 60 days out, quote wire as a separate allowance that reconciles at purchase.

Producer Price Index by Commodity: Metals and Metal Products: Copper Wire and Cable (WPU10260314) - FRED, Federal Reserve Bank of St. Louis · Federal Register: Request for Public Comments on the Proposed Implementation of Duties on Additional Aluminum, Steel, and Copper Derivative Articles Under Section 232

INFOGRAPHIC 2 / EQUIPMENT LIST PRICES

HVAC equipment makers posted August 2026 list increases running from nothing to nearly 17 percent, depending on the line.

Announced percentage list-price increases by manufacturer, effective dates in August 2026. Source: ACHR News, "HVAC Price Increase List: August 2026," August 5, 2026.

Lau blowers	16.2	16.8
Daikin equipment	7	7
Goodman equipment	7	7
Amana PTAC	5	5
AprilAire	4	4

This is the equipment side of the catalog, not the pipe-and-fittings side. More than twenty manufacturers raised HVAC list prices in August alone, with effective dates spread from August 1 to August 31 — Lau's blower increase lands August 31. "Up to 7%" means the top of the range, not the average, so the number you get depends on the model. Verify any quote written before August 1. Source: HVAC Price Increase List: August 2026 - ACHR News

SOLAR & STORAGE

TWO ITEMS

SUPPLY

Proclamation 11052, signed August 6, sets a \$0.38-per-watt floor on imported solar modules and \$0.22 on cells, plus a 15% duty, starting December 4, 2026.

Why it matters: Published August 11, 2026 at 91 FR 51975, it also sets minimum import prices of \$21 a kilogram for polysilicon and \$100 for ingots and wafers; cells at \$0.22 a watt, modules at \$0.38 and the 15% ad valorem duty on derivatives all take effect 12:01 a.m. eastern December 4, 2026. Japan, Korea, Taiwan, Switzerland, Liechtenstein and the EU are capped at 15% combined with column 1 duty; the UK at 10%. Fixed-term contracts signed before August 6 are exempt. Anza's August 5 median was 27.1 cents a watt for imported modules and 30 cents for domestic assembly on imported cells, so the floor implies 40% and 43% increases. This week: requote every module line for jobs energizing after early December, and check whether supply you hold sits under a pre-August 6 contract.

Federal Register: Adjusting Imports of Polysilicon and Its Derivatives Into the United States (Proclamation 11052) · Adjusting Imports of Polysilicon and its Derivatives into the United States - The White House · Section 232 Solar Tariffs Add New Price Floor on Modules: What Buyers Need to Know - Anza

REGULATION

California's Assembly Bill 1738, cleared by both houses on August 27, would give homeowners a statewide right to remote inspection of solar, batteries and heat pumps.

Why it matters: The bill passed the Assembly unanimously and the Senate 29-6, and Governor Newsom has until September 30, 2026 to sign or veto. It covers residential solar, home battery storage, heat pump HVAC, heat pump water heaters and new roofs, and still lets local governments require an in-person visit where safety warrants. A Bay Area analysis found crews wait two to six hours for an inspector on a review that takes about fifteen minutes, adding \$600 to \$1,000 per project, with more than \$500 million in projected statewide savings over three years. Nineteen California jurisdictions already allow it, and Los Angeles County has run 20% to 40% of inspections remotely for seven years. This week: time your own inspection waits for a month so you can price the delay.

California bill enables remote inspection for residential solar, batteries, heat pumps and more - pv magazine USA

INFOGRAPHIC 3 / WIRE AND CABLE

Producer prices for copper wire and cable rose 8.3 percent between April and July 2026.

Producer price index by commodity, copper wire and cable, index December 1986 = 100, not seasonally adjusted. Source: BLS via FRED series WPU10260314, updated August 13, 2026.

536.77	533.81	564.88	577.17	578.19
Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026

Wire moved on its own. Overall producer prices were flat in July 2026, but copper wire and cable climbed 8.3 percent in three months to the high of the run. Commerce has also proposed adding certain electric conductor cables to the Section 232 metals tariffs at 25 percent on metal content, with comments closed August 27 and no decision published. Price wire at order date, not bid date. Source: Producer Price Index by Commodity: Metals and Metal Products: Copper Wire and Cable (WPU10260314) - FRED, Federal Reserve Bank of St. Louis

SUPPLY

EPA's notice on HFC allowance data closed for comment on August 27, with the agency reporting that 12% of 2025 supply came out of pre-2022 inventory.

Why it matters: EPA's July 28, 2026 notice of data availability analyzes HFC Allocation Program data for 2022 through 2025. In 2025 roughly 12% of the HFCs reported came from pre-2022 inventory — 26% on an exchange-value-equivalent basis. It also flags sizable year-to-year allowance transfers, some entities net recipients, and application-specific allowances unspent at year end. Its questions concern production and import behavior and how allowances should be issued from 2029, the next phasedown step; no proposed rule has issued. The cushion of pre-phasedown virgin stock that has kept R-410A available and affordable is measurably thinning. This week: price reclaimed refrigerant into service agreements and stop underwriting multi-year contracts on today's virgin R-410A price.

Federal Register: Notice of Data Availability: Analysis of HFC Allocation Program Data for 2022-2025

The fraud that reads your invoices before it sends one

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.

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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Questions? Reach out.

Corrections, tips, or something you want covered next.

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