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South Coast AQMD Approves Rule to Accelerate the Transition to Zero-Emission for Building Water Heaters

Groundbreaking Rule Will Result in Second Largest Reduction of Nitrogen Oxides in a Decade

DIAMOND BAR – The South Coast Air Quality Management District (South Coast AQMD) Governing Board today approved updates to a rule (Rule 1146.2) that will require new and existing buildings to transition to zero-emission residential and commercial building water heaters. For the first time ever, natural gas-fired pool heaters, larger water heaters, small commercial water heaters, boilers, and process heaters must meet a zero-emission nitrogen oxides (NOx) standard when replaced. For new buildings, the rule aligns with building standards that currently require zero-emission units.

Combustion sources in residential and commercial buildings are one of many sources of NOx emissions (a precursor to smog) in the region. Implementing the new amendments to Rule 1146.2 will reduce about 5.6 tons per day (tpd) of NOx.

"This is the first all zero-emission rule we've adopted, and the second highest reductions achieved from a rule in the past decade -- second only to our rule which reduced emissions from petroleum refineries by nearly 8 tons of NOx per day," said Vanessa Delgado, South Coast AQMD's Governing Board Chair. "Not only is this a huge step towards improving air quality for our communities, it will have tremendous public health benefits."

The rule is part of South Coast AQMD's 2022 Air Quality Management Plan that lays a path for improving air quality and meeting federal air pollution standards by 2037 for the South Coast Air Basin and Coachella Valley. The 2022 AQMP is the most ambitious regional plan to date and the first to rely on zero-emissions technologies across all business, industry, and residential sectors. To attain the 2015 federal ozone standard, about 60 tpd of NOx emissions must be eliminated from sources South Coast AQMD regulates. The rule passed today will achieve almost 10 percent of those needed NOx reductions.

Today's amendments will impact about one million units across the South Coast AQMD's four-county jurisdiction. About 710,000 of the impacted units are natural gas-fired residential pool and spa heaters, which have not had NOx limits (at 55 parts per million by volume) lowered since the rule's adoption in 1998.

The rule amendments include an exemption for units with low usage and provisions for alternative compliance options for special circumstances such as replacement of multiple units, emergency replacements, and construction delays.

The first zero-emission compliance date for Rule 1146.2 begins on January 1, 2026, following a three-phased schedule, with the final phase of compliance to begin by January 1, 2033. A technology update is also required by June 2027 to evaluate adequate market availability and cost of equipment required to meet the future effective zero-emission deadlines.

To help offset some of the costs of transition, South Coast AQMD is developing a Zero-Emission Rebate Program that will assist residential and some commercial buildings to transition to zero NOx emission space and water heating, with an emphasis on overburdened communities. Future incentives may include other appliances such as cooking or laundry equipment.

Water heaters and boilers are regulated based on size. Residential, commercial, and light industrial use equipment, including instantaneous residential water heaters and pool heaters rated 75,000 Btu/hr to 2 million Btu/hr, are subject to Rule 1146.2.

South Coast AQMD is the regulatory agency responsible for improving air quality for large areas of Los Angeles, Orange, Riverside and San Bernardino counties, including the Coachella Valley. For news, air quality alerts, event updates and more, please visit us at www.aqmd.gov, download our award-winning app, or follow us on Facebook, X (formerly known as Twitter) and Instagram.