



March 20, 2025

Jen Vinh
Planning, Rule Development, and Implementation
South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765

(Submitted via email at: jvinh@aqmd.gov)

Re: Comments on Proposed Amended Rule 1121 & 1111

Dear Ms. Vinh,

Noritz America Corporation (Noritz) appreciates the opportunity to provide comments on the South Coast Air Quality Management District's (SCAQMD) Proposed Amended Rule 1121, Reduction of NOx Emissions from Residential-Type, Natural Gas-Fired Water Heaters (PAR 1121) and Proposed Amended Rule 1111, Reduction of NOx Emissions from Natural-Gas-Fired Furnaces (PAR 1111). As a leading manufacturer of high-efficiency water heating appliances, Noritz remains committed to supporting emissions reductions while preserving consumer choice and affordability, ensuring technical feasibility, and maintaining market stability. Noritz is headquartered within the District's jurisdiction in Fountain Valley, CA

Noritz does not offer products for sale that are under the scope of either PAR 1111 and PAR 1121, but as an industry stakeholder and manufacturer of water and space heating products, Noritz has concerns regarding the structure and implementation of the rule and its implications for manufacturers and regulatory consistency.

Regulatory Disparities

Noritz is concerned that PAR 1121 creates an uneven regulatory framework within the District which will have severe impacts on the entire product chain from manufacturers like ourself, to distributors, and ultimately consumers. In particular, the proposed amendments include a shift in the deadline for new building compliance from January 1, 2026 to January 1, 2027 and a phased-in alternate compliance option. This provides manufacturers and distributors of these products additional time and flexibility to adjust to the new requirements. This is contrasted against the 1146.2 rulemaking, for which the majority of Noritz product offering is covered, is unchanged, with no phase-in alternate compliance option and an implementation date set for January 1, 2026. This means that for at least 1-year, products like Noritz water heaters will be eliminated from the marketplace while products covered by Rule 1121 will still be available for installation. These proposed amendments create an unbalanced regulatory landscape that the District needs to reconsider. This can be further exacerbated by new building construction particularly those covered under Climate Zone 13, 14 which permit gas instantaneous water heating products under 2022 Title 24, Part 6, while they may not physically be available in the region.

EPCA Preemption

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Despite SCAQMD's efforts to adjust its regulatory approach, Noritz maintains that the current proposal still conflicts with federal law. The Energy Policy and Conservation Act (EPCA), 42 U.S.C. § 6201 et seq., prohibits state and local regulations from setting standards that effectively ban gas appliances because such bans concern the energy use or energy efficiency of those appliances. The zero-NOx standard effectively eliminates gas-fired water heaters and furnaces from the market and forces market shifts toward alternatives. This is precisely the type of regulation that EPCA preempts. Having a phased-in ban, rather than an immediate ban, does not avoid EPCA preemption.

We appreciate the opportunity to provide these comments and remain available for further discussions.

Sincerely,

A handwritten signature in grey ink, appearing to read 'Randy Oshiro', with a stylized, flowing script.

Randy Oshiro
Engineering Manager