

Faye Thomas

From: Clerk of Board
Sent: Friday, November 1, 2024 2:57 PM
To: Faye Thomas
Subject: FW: CAPHCC's Argument Against the Passing of Proposed Amended Rules 1111 and 1121

From: Whitney Squire <Whitney@caphcc.org>
Sent: Thursday, October 17, 2024 4:49 PM
To: Clerk of Board <ClerkOfBoard@aqmd.gov>
Subject: [EXTERNAL] RE: CAPHCC's Argument Against the Passing of Proposed Amended Rules 1111 and 1121

10/16/2024

South Coast AQMD
ClerkOfBoard@aqmd.gov

RE: Argument Against the Passing of Proposed Amended Rules 1111 and 1121

Ladies and Gentlemen of the Board,

As the Chief Executive Officer of the Plumbing Heating Cooling Contractors of California, I write to you to articulate our strong opposition to the passing of Proposed Amended Rule 1111 and Proposed Amended Rule 1121 by the South Coast Air Quality Management District (AQMD).

Economic Impact on Local Businesses:

Firstly, the proposed rules will impose significant financial burdens on local businesses, particularly small and mid-sized enterprises. The mandatory transition to zero-emission or low NOx appliances will require substantial upfront investments. This transition includes the cost of new equipment, installation, and potential modifications to existing infrastructure. Many small contractors and businesses in our industry

operate on thin margins, and these added costs could be crippling, potentially leading to layoffs or the closure of businesses that cannot afford to comply.

Technological and Practical Feasibility:

The push towards zero-emission technology, while admirable in principle, faces practical challenges. The availability and maturity of zero-emission appliances—particularly those suitable for retrofitting older buildings—are still questionable. Existing technologies might not meet the diverse needs of consumers, leading to a scenario where contractors are unable to source appropriate equipment, causing project delays and increased costs.

Rate of Implementation:

The implementation timeline proposed in the amended rules does not provide sufficient time for businesses to adapt. Transitioning the entire market to zero-emission appliances and the required workforce training will take time. Such an aggressive timeline could result in a bottleneck, causing supply chain issues and inflating prices further, making compliance even more difficult.

Alternative Compliance Options:

The rules propose a mitigation fee alternative compliance option until zero-emission compliance dates are met. This could be seen as another financial burden rather than a relief. The funds required to pay these fees will deplete resources that could otherwise be used to invest in new technology and training, significantly impacting business cash flows and financial health.

Environmental and Health Considerations:

Reducing NOx emissions is a commendable goal; however, the environmental benefits need to be weighed against the economic and practical implications. A staged approach with pilot programs to test and ensure the efficacy of new technologies could provide a balanced pathway

to achieving these environmental objectives without causing undue hardship on the community.

Recommendations:

1. **Extended Timeline:** We propose extending the compliance timeline to allow businesses adequate time to transition smoothly without severe economic impacts.
2. **Subsidies and Incentives:** Introduce substantial financial incentives, grants, or subsidies to offset the costs of new equipment and installations.
3. **Pilot Programs:** Implement pilot programs to verify the feasibility and effectiveness of zero-emission technology in real-world applications.
4. **Stakeholder Collaboration:** Involve industry stakeholders in a collaborative process to develop a mutually beneficial solution that meets environmental goals without crippling businesses.

Conclusion:

In conclusion, while we support initiatives aimed at improving air quality and reducing emissions, it is crucial to adopt a balanced approach that considers the economic realities and practical constraints faced by our industry. An extended timeline, financial incentives, pilot programs, and collaborative stakeholder engagement will ensure a smoother, more effective transition to low NOx and zero-emission technologies.

Thank you for your time and consideration. We look forward to working together towards a solution that benefits both the environment and the economy.

Whitney Squire
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