

March 5, 2024

Mr. Michael Krause, Assistant DEO  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

Dear Mr. Krause:

**Subject:** Los Angeles Department of Water and Power's (LADWP) Comments on Proposed Amended Rule 1146.2 – Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters

LADWP appreciates the opportunity to provide comments on the Proposed Amended Rule (PAR) Rule 1146.2 – Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters. LADWP remains committed to working with the South Coast Air Quality Management District (SCAQMD) during this rulemaking process and looks forward to refining the proposed language in ensuring a successful implementation of the proposed rule.

- I. Key Concerns for SCAQMD's Consideration: Recognizing that the proposed transition from gas-powered water heaters, boilers, and process heaters to all-electric alternatives has raised some concerns among the stakeholders, LADWP requests that SCAQMD take into account the following considerations:
  - a. Energy Demand and Grid Capacity:

The widespread adoption of electric heating systems across the South Coast Air Basin would result in an increased demand for electricity that could potentially strain local electrical grids. Upgrades to the grid infrastructure may be necessary to accommodate the additional load. Similarly, upgrades to building infrastructure (such as electrical panels and wiring) which would involve detailed design/engineering, permitting, installation, and testing may be necessary to support the increased electrical demand. LADWP appreciates SCAQMD's proposed phased implementation schedule as this could reduce the impact on energy demand but encourages SCAQMD to work with utilities and stakeholders to ensure that the intended electrification of these equipment and the resulting increase in energy demand would not significantly impact grid reliability.
  - b. Reliability and Resilience:

Interruptions in power supply may disrupt heating systems, impacting the functionality of commercial buildings. In particular, LADWP's water facilities which supply water for the City of Los Angeles are dependent on water heater and boiler operations. Interruptions to power, especially during emergencies, may negatively impact water facility operations. Also, compared their gas-powered counterparts, electric water heaters and boilers have a short track record, making it challenging to assess their long-term reliability and durability.

c. Technology Maturity and Availability:

There are concerns with the availability of large electric water heaters, small boilers, and process heaters since the market for electric alternatives is currently not as mature and established as their gas counterparts. Though the market is expected to expand in the future, there is no assurance that the electric alternatives available in the market would be reliable and suitable replacements for existing gas-fired water heaters, boilers, and process heaters. Concerns also remain as to whether these electric alternatives would be compatible with current equipment and building specifications. For instance, sizing constraints for existing equipment (e.g. water heaters and boilers that are located in tightly enclosed areas), could pose challenges in finding appropriate replacements.

II. Proposed Updates to the Rule Language: LADWP would also like to propose some updates to the second preliminary draft Rule 1146.2 language for added clarification:

- a. Condition (d)(1) states “Prior to the applicable Table 3 compliance dates, no person shall manufacture, supply, sell, offer for sale, or install, for use within the South Coast AQMD, any Unit unless the Unit is certified pursuant to subdivision (f) not to exceed the applicable Table 1 emission limits.” However, the intention is to allow water heaters and boilers to operate at the NO<sub>x</sub> and CO emission limits until the compliance date, or the end of useful life, whichever is later. LADWP’s proposed language is as follows:

“Prior to the applicable Table 3 compliance dates or the end of unit useful life, whichever is later, no person shall manufacture, supply, sell, offer for sale, or install, for use within the South Coast AQMD, any Unit unless the Unit is certified pursuant to subdivision (f) not to exceed the applicable Table 1 emission limits.”

- b. Similarly, for clarity, LADWP proposes a change to Condition (d)(3): “On and after the Table 3 compliance dates, an owner or operator of a Unit shall not operate a Unit which exceeds Table 2 emission limits once the Unit age determined pursuant to subdivision (e) is greater than or equal to the applicable Table 2 Unit age” to the following:

“On and after the Table 3 compliance dates or the end of unit useful life, whichever is later, an owner or operator of a Unit shall not operate a Unit which exceeds Table 2 emission limits once the Unit age determined pursuant to subdivision (e) is greater than or equal to the applicable Table 2 Unit age.”

- c. LADWP also suggests that SCAQMD include clarification about the Labeling and Reporting Requirements in Condition (j)(1). Since labeling has not previously been required by Rule 1146.2, LADWP requests clarification as to whether these requirements apply to already installed water heater and boilers.

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LADWP requests SCAQMD's consideration of these comments and other stakeholders' comments and looks forward to working further with SCAQMD during this rulemaking process.

If you have any questions or would like additional information, please contact Ms. Andrea Villarín of my staff at (213) 367-0409 or Ms. Tejasree Ganapa at (213) 367-6332.

Sincerely,

Katherine Rubin  
Director of Corporate Environmental Affairs  
Division

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c: Ms. Andrea Villarín (LADWP)

Ms. Tejasree Ganapa (LADWP)