

APPENDIX B:

**RESPONSE TO COMMENTS RECEIVED AFTER PUBLIC
CONSULTATION MEETING (NEW RULE CONCEPT)**

**Comments Received between February 7, 2025, and
March 20, 2025**

PREFACE

On February 7, 2025, staff shared the new rule concept, the ZEM alternative compliance option, in a presentation announced by email notification and posted on the South Coast AQMD webpage. Staff held Working Group Meeting #8 on February 13, 2025, and explained the new rule concept. Staff held the Public Consultation on March 6, 2025, to provide a summary of the third preliminary draft PAR 1111 and PAR 1121 rule language, which includes the ZEM alternative compliance option. Staff also updated the cost-effectiveness analysis. The public comment period for the new rule concept started after staff introduced the new concept on February 7, 2025, and ended two weeks after the Public Consultation meeting on March 20, 2025.

This appendix includes all verbal comments received at the Public Consultation Meeting and written comments received between February 7, 2025, and March 20, 2025.

About 200 people participated in the Public Consultation Meeting, which lasted over 4 hours, and 39 comments were expressed verbally. Many stakeholders expressed support to adopt the rules, some highlighted the need for more community outreach, and some raised concerns on the mitigation fees and sales target percentages, with many urging to increase the mitigation fees and sales targets and some suggesting to lower them.

There were 47 written comment letters received between February 7, 2025, and March 20, 2025, and they are listed in the table below.

Table Appendix B-1: Comments Received between February 7, 2025, and March 20, 2025

Comment Letter	Commentor Name	Representing	Date Received
1	Dorian Corliss	Self	2/14/2025
2	Jean Woo	Self	2/15/2025
3	N/A	Southern California Building Electrification Coalition	2/19/2025
4	Nancy Burke	Self	2/27/2025
5	Christopher Mercurio	Self	2/26/2025
6	HollyJo Reynolds	Self	2/27/2025
7	Marta Wall	Self	2/26/2025
8	Michael Howard	Self	2/25/2025
9	Pamela Buck	Self	2/25/2025
10	Shaun Uhls	Self	2/25/2025
11	Amir Baum	Self	3/3/2025

Comment Letter	Commentor Name	Representing	Date Received
12	Bud Reveley	Self	3/3/2025
13	Carmen Rawson	Self	3/1/2025
14	Carol Kerr	Self	3/2/2025
15	Melina Ershaghi	Self	3/3/2025
16	Rose Perez Jessen	Self	3/3/2025
17	Tristan Miller	Self	3/3/2025
18	Vicki Chamberlain	Self	3/3/2025
19	Nestande, Pradetto, Quintanilla, Trubee, and Harnik	City of Palm Desert	3/4/2025
20	Ruth Brissenden	Self	3/5/2025
21	Lenora DeMars	Self	3/5/2025
22	Kislev Joy Ang	Self	3/5/2025
23	James Elder	Self	3/5/2025
24	Brenda Dennstedt	Western Riverside Council of Governments	3/6/2025
25	Wynn Tucker	Green & Healthy Homes Initiative	3/6/2025
26	Vinod Ghai	Self	3/7/2025
27	Virginia Anders-Ellmore	Self	3/11/2025
28	John Anderson	Self	3/12/2025
29	Fernando Gaytan, Matt Vespa, Adrian Martinez, Lauren Weston, Wesley Reutimann, Gracyna Mohabir, Christopher Chavez, Tony Sirna, Ruth Ann Norton, Kevin Ma, Charles Miller, Andrea Vidaurre,	Earthjustice, Acterra: Action for a Healthy Planet, Active San Gabriel Valley, California Environmental Voters, Coalition for Clean Air, Evergreen Action, Green and Healthy Home Initiative,	3/12/2025

Comment Letter	Commentor Name	Representing	Date Received
	Sven Thesen, Sean Armstrong, Jack Hanson, Kimberly Orbe, Anne Pernick	Green Sanctuary Unitarian Universalist Church of Palo Alto, Los Angeles Climate Reality Project, People's Collective for Environmental Justice, Project Green Home, Redwood Energy, Run On Climate, Sierra Club Angeles Chapter, Stand.earth, Vector Green Power, LLC)	
30	Chad Chantaracharat	Self	3/17/2025
31	David Kramer	Self	3/17/2025
32	Gary Dufour	Self	3/17/2025
33	James Flesher	Self	3/17/2025
34	Jamie Ross	Self	3/12/2025
35	Norma Bertagna	Self	3/12/2025
36	Mark Terry	City of Canyon Lake	3/18/2025
37	C.C. Song	Clean Power Alliance	3/18/2025
38	Mike Selna	Self	3/19/2025
39	Kenneth Ortiz	Self	3/19/2025
40	Lisa Baca	Self	3/18/2025
41	Mary Ann Railey	Self	3/19/2025
42	Marc D. Neufcourt	Rinnai America Corporation	3/20/2025
43	Nicole Colantonio	Air-Conditioning, Heating, and Refrigeration Institute (AHRI)	3/20/2025
44	James Phillips	Rheem Manufacturing Company	3/20/2025
45	Chris M. Forth, David Stephens	Johnson Controls	3/20/2025

Comment Letter	Commentor Name	Representing	Date Received
46	Randy Oshiro	Noritz America Corporation	3/20/2025
47	John Carser	Self	3/6/2025
48	David Price	Self	3/13/2025

Comment PC-1: Mike (M&M Mechanical)

Request to retain the high-altitude exemption from 14 ng/J NO_x and zero-NO_x emission standards, especially for down-flow furnaces.

Response to Comment PC-1:

Staff agrees and will retain the downflow furnace exemption in PAR 1111 for high-altitude installation that was previously proposed to be removed.

Comment PC-2: Vanessa Villanueva (Resident of Colton)

Support Proposed Amended Rules 1111 and 1121.

Response to Comment PC-2:

Staff appreciates the support.

Comment PC-3: Adrian Martinez (Earthjustice)

Support for the proposed amended rules has increased since the new rule concept release. Increase sales targets for both rules. Recommend no further delay to the rules.

Response to Comment PC-3:

Staff appreciates the support and recognizes that there are many zero-emission units already in the market. Staff will continue to provide updates as needed to the Governing Board or Committee before major rule milestones. The ZEM alternative compliance option includes annual sales reporting requirements on the manufacturers, which will indicate if the target are being achieved and show market trends. Staff will assess zero-NO_x emission unit market adoption after each annual reporting cycle from the ZEM alternative compliance option; the annual reporting can be used to determine if any of the targets should be modified.

Comment PC-4: Matt Vespa (Earthjustice)

Concerns on mitigation fees. Connect the fees with the emissions mitigation. Increase fees for NO_x-emitting sales that are above the sales target.

Response to Comment PC-4:

The fees were set to strike a balance while incentivizing zero-emission units. Staff will continue to provide updates as needed to the Governing Board or Committee before major rule milestones. Staff will assess zero-NO_x emission unit market adoption after each annual reporting cycle from the ZEM alternative compliance option; the annual reporting can be used to determine if any fees should be increased.

Comment PC-5: Sydney (Resident)

Support Proposed Amended Rules 1111 and 1121. Concerns about the climate crisis and big polluters.

Response to Comment PC-5:

Staff appreciates the support.

Comment PC-6: Michael Corbett (Bradford White Corporation)

Asked for the basis for determining the proposed mitigation fees. Response to Comment PC-6:

The proposed fee is less than the amount that would be necessary to equalize the costs of zero-NOx emission appliances and NOx emitting appliances and thus would be less than the likely cost of fully mitigating the emissions from the NOx emitting appliances. Further, previous fees for Rule 1111 ranged between \$150 - \$450, and the fees for Rule 1121 were set a couple decades ago in a different emission reduction context that only considered mitigating two years-worth of NOx emissions. The current emission reduction need requires an incentive for zero-NOx emission units while also considering affordability concerns. Staff understands that environmental groups support a much higher fee increase such as over \$1,000 to bridge the emission gap and cost of NOx-emitting units versus zero-NOx emission units, and meanwhile, manufacturers and distributors oppose any fee. The fees in the new rule concept strike a balance while incentivizing zero-NOx emission units. Staff will continue to provide updates, if needed, to the Governing Board or Committee before major rule milestones. Staff will assess zero-NOx emission unit market adoption after each annual reporting cycle from the ZEM alternative compliance option; the annual reporting can be used to determine if any fees should be increased.

Comment PC-7: Al Sattler (Earthjustice)

Support Proposed Amended Rules 1111 and 1121. Recommend no further delay to the rules.

Response to Comment PC-7:

Staff appreciates the support.

Comment PC-8: Erica Pezold (Councilmember of Laguna Hills)

Issues with hybrid gas water heater and electrical supply. Freedom of choice is important.

Response to Comment PC-8:

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

Comment PC-9: Fernando Gaytan (Earthjustice)

Update the sales targets and increase mitigation fees.

Response to Comment PC-9:

Staff appreciates the support. Please refer to Response to Comment PC-4.

Comment PC-10: Pete Marsh (Resident of Long Beach)

Increase mitigation fee, link fees to the degree of non-compliance, and increase sales targets. Heat pump technology is ready and the sales have been higher than NOx-emitting sales.

Response to Comment PC-10:

Staff recognizes that heat pump technology has been in the market for a long time, especially heat pumps for space heating and cooling, and that sales of heat pumps have

been higher than sales of NO_x-emitting furnaces. Please refer to Response to Comment PC-3 and Response to Comment PC-4.

Comment PC-11: Kris Murray (Association of California Cities, Orange County)

Asked for clarification on staff analysis on energy use and emission reductions. Incentives and rebates may not help with affordability for overburdened residents.

Response to Comment PC-11:

Staff analysis for project costs, fuel use, fuel switch cost, and emission reductions are detailed in Chapter 2 of the staff report.

Incentives provide funding for upfront costs, and other state, local, and utility incentives may be stacked together in many cases. South Coast AQMD's upcoming Go Zero program will also provide additional funding for overburdened communities which may be stacked with other incentives. For discussion on cost and affordability, please refer to Response to General Comment 2. For discussion on incentives, please refer to Response to General Comment 11.

Comment PC-12: Todd Titus (Director of Regulatory Affairs of Heating, Air-conditioning and Refrigeration Distributors International, HARDI)

Opposition of the mitigation fee for manufacturers since it will increase the product costs for the end user. HARDI supports the new rule concept to address consumer choice, but does not support the mitigation fee.

Response to Comment PC-12:

Please refer to Response to Comment PC-6.

Comment PC-13: Bob Helbing (AirTro)

PAR 1111 and PAR 1121 will not reduce ozone in the South Coast AQMD.

Response to Comment PC-13:

For discussion on the need for rule amendment, please refer to Response to General Comment 10. For discussion on NO_x and ozone, please refer to the 2022 Air Quality Management Plan.

Comment PC-14: Jed Holtzman (RMI)

Suggest increasing the mitigation fee and basing it on cost-effectiveness screening threshold.

Response to Comment PC-14:

Please refer to Response to Comment PC-4.

Comment PC-15: Joe Hower (Resident)

Rental properties have central furnaces that would make heat pumps a reasonable retrofit. Flexibility in the rule is needed for other installations. Definition of heat input in PAR 1121 should be revised.

Response to Comment PC-15:

Staff agrees with commenter on the need of flexibility. Please see Response to General Comment 1 for consumer choice and Response to General Comment 4 for zero-NOx emission technology readiness. Definition of heat input has been removed from PAR 1121 because it is not used in the rule language.

Comment PC-16: Xico Manarolla (Clean Power Alliance)

Expressed support for Proposed Amended Rules 1111 and 1121 and the increased outreach. Asked for clarification for PAR 1111 not expanding to commercial furnaces and the future funding outlook for the Go Zero program.

Response to Comment PC-16:

Staff appreciates the support. Furnaces sized 175,000 Btu/hr and above will be addressed in a future rule development process with further outreach efforts. There is a potential for five-fold increase in funding for the Go Zero program. If PARs 1111 and 1121 are adopted with the proposed mitigation fee options, funds collected through the ZEM alternative mitigation option will provide a revenue stream for future Go Zero funding.

Comment PC-17: Jessi Davis (SoCal Gas)

The ZEM alternative compliance option with mitigation fee may not be cost effective. Concern on customer affordability.

Response to Comment PC-17:

Chapter 2 of this staff report provides analysis on cost-effectiveness for implementing the ZEM alternative compliance option, which shows the weighed cost-effectiveness by ZEM alternative compliance option that is estimated to be lower than the screening threshold, using reasonable assumptions on consumer behavior. A mitigation fee will be required to sell NOx-emitting space and water heating appliances and will not add to the cost of zero-NOx emission units. Further, mitigation fees collected will fund the Go Zero incentive program and the monies will go back to the market for consumers purchasing zero-NOx emission units to lower the costs. The proposed mitigation fee for the units sold under the target only represent around one percent of the total costs of the units, which will not have a significant impact on the affordability of the NOx-emitting appliances. The proposed mitigation fees are designed to incentivize the transition to zero-NOx emission appliances by making the NOx-emitting appliances a little more costly while collecting fees to fund the Go Zero incentive program to make the zero-NOx emission appliances more affordable. For cost and affordability, please refer to Response to General Comment 2.

Comment PC-18: Michael Rochmes (LA Climate Reality)

The space and water heating market is primed for growth and on the path to increase quickly, targets should be set at higher levels.

Response to Comment PC-18:

Please refer to Response to Comment PC-3.

Comment PC-19: Nihal Shrinath (Sierra Club)

Strengthen rules to correlate mitigation fees with emissions reductions foregone.

Response to Comment PC-19:

Please refer to Response to Comment PC-4.

Comment PC-20: Jennifer Cardenas (Fontana Resident)

Support for Proposed Amended Rules 1111 and 1121. Suggest an increase in the mitigation fee.

Response to Comment PC-20:

Staff appreciates the support. Please refer to Response to Comment PC-4.

Comment PC-21: Dylan Plummer (Sierra Club)

Support Proposed Amended Rules 1111 and 1121. New rule proposals result in less emissions reductions. Increase mitigation fee to reflect the emissions reductions foregone and increase sales target. There is growing support for PARs 1111 and 1121, including from LA City Council.

Response to Comment PC-21:

Staff appreciates the support. Please refer to Response to Comment PC-3 and Response to Comment PC-4.

Comment PC-22: Peter Whittingham (LA BizFed)

Suggested to exempt installations from zero-NOx emission standards that has building permits under review before the date of rule adoption. Suggest staff analysis consider large old apartment buildings, for example using multifamily data provided by LA BizFed for cost-effectiveness.

Response to Comment PC-22:

PAR 1111 and PAR 1121 provide an exemption of zero-NOx emission standards for installations in new buildings with building permit issued prior to [Date of Adoption], which is an enforceable allowance. Permits under review likely can and will change and staff believes it is feasible to include zero-NOx emission appliances in the plan or revised plan. Staff recommends maintaining the current allowance for buildings with permits issued.

Staff's analysis on cost-effectiveness for multifamily was based on real-world cost data as explained in Chapter 2 of the staff report. For exceptional cases when costs are high, consumers may choose to install NOx-emitting units as allowed by the ZEM alternative compliance option. Finally, many large apartment buildings use boilers and large water heaters that are not subject to PAR 1111 and PAR 1121. Some multifamily data shared by LA BizFed are for replacement of units with capability beyond PAR 1111 and PAR 1121 applicability.

Comment PC-23: Ayn Craciun (Climate Action Campaign)

Support Proposed Amended Rules 1111 and 1121. Orange County resident with zero-NOx emission appliances.

Response to Comment PC-23:

Staff appreciates the support.

Comment PC-24: David Martinez (Climate Action Campaign)

Increase mitigation fee and sales targets.

Response to Comment PC-24:

Please refer to Response to Comment PC-3 and Response to Comment PC-4.

Comment PC-25: Marven Norman (CCAIEJ)

Support Proposed Amended Rules 1111 and 1121. San Bernardino resident. There are many opportunities to address cost issues.

Response to Comment PC-25:

Staff appreciates the support.

Comment PC-26: Carmen Rawson (Resident in Newport Beach)

Limited space for heat pump retrofits in resident's current triplex. SCE infrastructure is insufficient and costs to update may be passed on to residents.

Response to Comment PC-26:

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3.

For discussion on technology readiness, please refer to Response to General Comment 4.

Comment PC-27: Lisa Hart (LA Neighborhood Council Sustainability Alliance)

Support Proposed Amended Rules 1111 and 1121.

Response to Comment PC-27:

Staff appreciates the support.

Comment PC-28: James Elder (Resident of Huntington Beach)

Support new concept in Proposed Amended Rules 1111 and 1121, support previous rule concept as well.

Response to Comment PC-27:

Staff appreciates the support.

Comment PC-29: Crystal Miles (Councilwoman in Orange County)

Concerns about mitigation fees as a punitive measure and costs transferred to the consumer. Concerns on townhomes and duplexes replacement on equipment turnover. Cut emissions at source of electricity generation. Gas is a more reliable energy source.

Response to Comment PC-27:

Please refer to Response to Comment PC-6.

Staff analysis included assessment on replacement in multifamily buildings which include townhomes and duplexes. The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold

and installed for use. Both electricity and natural gas will continue to be the energy sources for space and water heating. The South Coast AQMD has multiple rules and regulations (e.g., Rule 1134, Rule 1135, and Regulation XX) for emission reduction at sources of electricity generation. Energy generation at our local energy generating facilities total around 2 – 3 tpd of NO_x, while residential-sized building appliances account for almost 7 tpd.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3.

For discussion on technology readiness, please refer to Response to General Comment 4.

Comment PC-30: David Stephens (Johnson Controls)

Oppose the proposed amended rules as written. Need more time to fully comprehend the rule proposal.

Response to Comment PC-28:

Staff has been working with stakeholders for almost two years. Rule amendments are an iterative process with staff making changes based on discussion with stakeholders and feedback received. The concept in the current version of proposed amended rules is a response to stakeholder feedback and was shared in early February 2025. The concept was also discussed in individual meetings with each manufacturer in addition to public meetings. Staff will monitor rule implementation which includes assessing the zero-NO_x emission unit market adoption and mitigation fee impact for each annual reporting cycle after rule adoption by the ZEM alternative compliance option.

Comment PC-31: Kory Griggs (Indoor Weather)

Retain the high-altitude exemption from 14 ng/J NO_x and zero-NO_x emission standards for down-flow furnaces. Proposed mitigation fee is too high. Regulate propane so installers would not circumvent the rule for natural gas furnace that can installed for propane use.

Response to Comment PC-29:

Staff is proposing to retain the downflow furnace exemption in PAR 1111 for high-altitude installation that was previously proposed to be removed.

Please refer to Response to Comment PC-6 regarding the proposed mitigation fee.

PAR 1111 has a provision requiring manufacturers to report the sales of propane conversion kits for cases where natural gas furnaces would be installed for propane use. In addition, emissions from propane combustions are identified and accounted for in the 2022 AQMP. Staff will review the number of propane conversion kits being reported as sold into the South Coast AQMD in comparison to estimated households that rely on propane for fuel to consider if the exemption is being abused and explore regulatory mechanisms to address potential rule circumvention.

Comment PC-32: Chris Chavez (Coalition for Clean Air)

Need to pursue more emissions reductions. Support previous rule concept.

Response to Comment PC-30:

Staff will continue to provide updates as needed to the Governing Board or Committee before major rule milestones. The ZEM alternative compliance option includes annual sales reporting requirements on the manufacturers, which will indicate if the target are being achieved and show market trends. Staff will assess zero-NOx emission unit market adoption after each annual reporting cycle from the ZEM alternative compliance option; the annual reporting can be used to determine if any of the targets should be strengthened.

Comment PC-33: Saeedeh (Government of British Columbia, Ministry of Energy and Climate Solutions)

Asked for clarification on zero-NOx emission technologies and high-altitude installations. Concern on mitigation fee being passed down to consumers.

Response to Comment PC-31:

Please see Response to General Comment 4 for zero-NOx emission technology readiness and Response to General Comment 8 for high-altitude.

The proposed mitigation fees are set to strike a balance while incentivizing zero-NOx emission units. The mitigation fee collected will fund the Go Zero incentive program and the monies will go back to the market as incentives to consumers installing zero-NOx emission units. Staff will assess zero-NOx emission unit market adoption after each annual reporting cycle from the ZEM alternative compliance option. The annual reporting can be used to determine if the fees should be adjusted.

Comment PC-34: Anne Pernick (Stand.earth)

Support Proposed Amended Rules 1111 and 1121. Increase mitigation fee and sales target percentage.

Response to Comment PC-32:

Staff appreciates the support. Please refer to Response to Comment PC-3 and Response to Comment PC-4.

Comment PC-35: Catalina (Resident of Los Angeles County)

Support Proposed Amended Rules 1111 and 1121. Support Public Hearing in May.

Response to Comment PC-33:

Staff appreciates the support.

Comment PC-36: Joe Citizen (Resident of Huntington Beach)

Support Proposed Amended Rules 1111 and 1121. Cost for heat pump installation for individual is cheaper than the costs in the presentation.

Response to Comment PC-34:

Staff appreciates the support.

Comment PC-37: Jennifer Cardenas (Sierra Club)

Support Proposed Amended Rules 1111 and 1121. Support previous rule concept.

Response to Comment PC-35:

Staff appreciates the support.

Comment PC-38: Angela Oakley (Resident in Claremont)

Health impacts should be included in the cost-effectiveness calculation.

Response to Comment PC-36:

Health impacts are considered in cost-effectiveness evaluation by comparing the calculated cost-effectiveness with the 2022 AQMP cost-effectiveness screening threshold, which is health benefit based. In addition, health impacts are analyzed in socioeconomic impact assessment to be released 30 days prior to the public hearing for the rules.

Comment PC-39: Bill LaMarr (California Alliance of Small Business Associations)

Concerns on manufacturers not meeting sales targets and that consumer cannot afford zero-NOx emission units or use electric units during power outage.

Response to Comment PC-37:

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use. The sales targets are not a hard cap. Manufacturers may sell more NOx-emitting units with a higher mitigation fee for those units beyond the targets.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3. Sustainable electricity supply is essential for both zero-NOx emission and NOx-emitting units. Many natural gas appliances also rely on electricity to operate. For example, all gas-fired fan-type central furnaces currently regulated by Rule 1111 require electricity to operate and therefore cannot operate during a power outage.

COMMENT LETTER #1: DORIAN CORLISSÉ

From: C Cortiss <[REDACTED]>
Sent: Friday, February 14, 2025 7:18 AM
To: Heather Farr <[REDACTED]>; Yanrong Zhu <[REDACTED]>
Subject: [EXTERNAL] Request for Exemption from Proposed Rule 1111 for Solar-Invested Homeowners

Ms. Farr,

I hope this message finds you well. I'm reaching out regarding the proposed updates to Rule 1111 and would like to present a case for a limited exemption on behalf of homeowners who have made significant investments in solar energy.

As a homeowner who has installed a solar system that supplies over 75% of my annual power consumption, I've committed considerable resources toward renewable energy and reducing my environmental footprint. The requirement to replace residential furnaces under the new rule poses an additional financial burden that could impede the return on investment from my solar installation.

1-1

Proposal for Exemption:

- 15-Year Exemption for homeowners whose solar installations provide more than 75% of their annual energy needs from the furnace replacement mandate under Rule 1111.

Justifications:

1. Financial Recovery of Solar Investment:
 - The upfront costs of installing substantial solar systems are significant. An exemption period allows homeowners to recoup these investments before incurring additional expenses associated with furnace replacement.
2. Alignment with Environmental Goals:
 - By relying predominantly on solar energy, these homeowners have already significantly reduced their reliance on fossil fuels, contributing to lower overall emissions in line with the district's air quality objectives.
3. Encouraging Renewable Adoption:
 - Granting exemptions serves as an incentive for more residents to adopt solar energy solutions, amplifying environmental benefits across our community.
4. Minimal Furnace Usage:
 - With the majority of energy needs met by solar power, the usage—and therefore emissions—of existing furnaces is considerably less compared to average households.

Conclusion:

I genuinely believe that offering this exemption balances the district's mission to improve air quality with the need to support homeowners who have proactively invested in sustainable energy solutions. It acknowledges our efforts and encourages continued participation in renewable initiatives.

I welcome the opportunity to discuss this proposal further or provide any additional information that might be helpful.

Thank you for your time and thoughtful consideration.

Sincerely,

Dorian Cortiss



Murrieta CA 92563

Response to Comment Letter #1

Response to Comment 1-1:

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For consumers interested in zero-NOx emission units, there are opportunities to apply various incentives for the upfront capital cost, and operational cost savings are expected in many cases. For further discussion on cost, please refer to Response to General Comment 2.

For discussion on the need for rule amendment, please refer to Response to General Comment 10.

COMMENT LETTER #2: JEAN WOO

From: Jean Woo <[REDACTED]>
Sent: Saturday, February 15, 2025 4:02 PM
To: Jennifer Vinh <[REDACTED]>
Subject: [EXTERNAL] Support proposed Rule 1111 and 1121

Hello,

My name is Jean Woo and I live in Berkeley, CA. As a firm supporter of decarbonization and as a prrson with asthma, I request the Air Quality Board support restricting airborne pollutants as in Proposed Rule 1111 and 1121. We have seen massive wildfires and industry flaring from refineries pollute the air for entire regions and extended periods of time. Let's get homes and businesses to transition to heat pumps, heat pump water heaters, electric vehicles and induction stoves. Given the outsized utility profits, they should put an amount equal to that given to shareholders, into a Resilience and Climate Fund to help fund low-cost loans and on-bill financing to assist customers make these changes. This in addition to federal rebates and incentives. We needed to make these changes years ago, not hold over gas appliances when the homes are or renovated, or when the older one dies.

Please support Proposed Rules 1111 and 1121 , and all further rules/regulations to decarbonize and electrify homes, businesses, hospitals, schools and universities!

Sincerely,

Jean

Jean Woo

[REDACTED]
Berkeley, CA 94709

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2-1

Response to Comment Letter #2*Response to Comment 2-1:*

Staff appreciates the support for the rules. Efforts for building appliances rules and the Go Zero incentive program aim to reduce emissions, wherever feasible, and further incentivize the market for zero-NOx emission technologies.

COMMENT LETTER #3: SOUTHERN CALIFORNIA BUILDING ELECTRIFICATION COALITION

To: South Coast AQMD
 From: Southern California Building Electrification Coalition
 Date: 2/1/2025
 Re: Proposed Amended Rules 1111 and 1121 Improvements

We must convey our profound disappointment regarding the delays in passing the proposed rules 1111 and 1121. Amendments to Rules 1111 and 1121 are essential to reducing criteria pollution in the region and achieving greater deployment of zero-NOx furnaces and water heaters. **We urge you to stay the course and adopt these long overdue rule amendments at your May Governing Board meeting without any further delay.**

3-1

It is particularly disheartening, however, to witness opposition continue their calculated 11th hour effort to further weaken these essential regulations during a time when we can least afford to backtrack on our commitment to emissions reduction. The current rule proposals already reflect significant concessions that ultimately bring the emissions reductions from these rules below the commitments made in the 2022 AQMP to reduce pollution from these sources. We cannot afford to weaken these amendments any further.

Just this past July, the Board Chair championed these amendments as a pivotal component of our emissions reduction strategy. Unfortunately, due to the regulatory offramps being offered and extended timelines, what was once heralded as the most impactful rule in three decades for NOx emissions—projecting a reduction of 10 tons per day—has already been diminished by 40%. We urge you to resist industry special interests calling for even greater concessions.

We believe this rule can still maintain its strength with targeted improvements to modestly accelerate compliance timelines and establish more robust mitigation fees. Our air quality and our community's health depend on it.

There are two areas of improvement to the current rule proposals that will ensure greater emissions reductions and increased regulatory compliance, and we ask Board Members to request these commonsense alterations.

- a. **Mitigation Fees Must be Higher and Reflect Emissions Impact:** A mitigation fee should be tethered to the emissions impacts of the targeted activity, however the current proposal includes fees that are far too small to mitigate impacts – \$50–100 per unit sold. Applying the District's screening threshold value for NOx emissions, the cost of the lifetime NOx emissions from a new gas water heater is roughly \$865, and roughly \$3,035 for a new gas furnace.¹ While the District may not want the mitigation fee to reflect the full cost of the of the resulting pollution, a mitigation fee that more closely reflects the cost of the resulting emissions is both consistent with

3-2

¹ Using baseline daily emissions, estimated number of units, and useful life figures from the [Preliminary Draft Staff Report](#) on the rules (pgs. 2-18, 2-20, and 5-2 [Table 5-1]).

the purpose of a mitigation fee and provides more funds to support deployment of heat pumps for low- and moderate-income individuals—thus helping to ensure equitable and affordable implementation of the rules.

3-2

- b. **Stronger Manufacturer Requirements:** The final rule should accelerate compliance percentage targets for manufacturers. We ask that staff look at more ambitious percentages across the board so that more zero-emission appliances are made available sooner, which will help bring down unit costs. For example, the proposal could skip the initial 70% NOx-emitting sales cap and move directly to the 50% NOx-emitting sales target for both space and water heating in 2027. In the case of space heating, because baseline sales of NOx emitting units in 2027 will already be at 64 percent according to an RMI analysis, a 70 percent cap will not accomplish anything. A 50 percent target is necessary to achieve meaningful progress and continue to move the market toward zero-emission options. In the case of water heating, because zero-emission units have more predictable installation costs and are available in 120V models to avoid the potential need for electric upgrades, these units can be readily deployed with the right regulatory signal.

3-3

With these two adjustments, we support the current structure of the rule and believe it offers the greatest flexibility while still having the potential to achieve significant NOx reductions. It is imperative that we finalize these rules, however. Passing them in May will send a strong message that the SCAQMD is committed to meeting its NOx reduction obligations and will send a strong signal to encourage the market: that the South Coast is ready for zero-pollution appliances.

Response to Comment Letter #3

Response to Comment 3-1:

Staff appreciates the support.

Response to Comment 3-2:

Please refer to Response to Comment PC-4.

Response to Comment 3-3:

Please refer to Response to Comment PC-3

COMMENT LETTER #4: NANCY BURKE

From: nancy burke <[REDACTED]>
Sent: Thursday, February 27, 2025 3:46 PM
To: Jennifer Vinh <[REDACTED]>
Subject: [EXTERNAL] OPPOSED to Proposed Ammendment Rules 1111 and 1121 REQUIRING ALL ELECTRIC APPLIANCES AND HEATERS

Please do not pass these proposals 1111 and 1121. I am opposed to your 1111 and 1121 Proposals to outlaw gas water heaters, furnaces and gas stoves. Without gas, during the constant Inland Empire power shutoffs, we would not be able to take a warm shower, warm food, or heat the house. Much less drive an electric car. The Inland Empire now shuts off electricity every time the wind blows. My gas bill is \$50. My electric bill is \$400 to \$790, keeping my 1500 sq. foot house at 82 degrees

4-1

For you to tell us what to do and how to do it is unacceptable. What happened to freedom of choice?

The cost to change from gas to electric is out of reach for both young and old homeowners. I don't want an electric furnace, water heater or stove. Didn't your mom teach you not to put all your marbles in one basket?

Please do not pass this proposal. I already have to choose between electricity and food.

Sincerely, Nancy Lamb

Jurupa Valley CA

The Old people home was without power for a week. No hot water, no cooking, no elevators.....

Response to Comment Letter #4*Response to Comment 4-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3.

COMMENT LETTER# 5: CHRISTOPHER MERCURIO**Jennifer Vinh**

From: [REDACTED]
Sent: Wednesday, February 26, 2025 3:14 PM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name: Christopher Mercurio****Email:** [REDACTED]**Phone:** [REDACTED]**Message:**

I am against restricting use of natural gas appliances. The numbers positioned as ‘preventable deaths’ for NOx emissions is based on pseudo-science. This will only add more costs to already an expensive living area, and has little to zero benefit. I like my water and air hot, there’s a reason they call it ‘cool heat’! This is an abuse of power and must be stopped!

5-1

Response to Comment Letter #5*Response to Comment 5-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the need for rule amendment, please refer to Response to General Comment 10.

COMMENT LETTER #6: HOLLYJO REYNOLDS**Jennifer Vinh**

From: [REDACTED]
Sent: Thursday, February 27, 2025 10:43 AM
To: Jennifer Vinh
Subject: Contact Form

Contact Form

Name: HollyJo Reynolds

Email: [REDACTED]

Phone: [REDACTED]

Message:

While converting to electric is a wonderful long term goal, have you considered that many older mobile homes, even with a panel upgrade cannot support full electrification? My sister resides in a 1974 mobile home and I have investigated converting her to all electric. One problem is there are no companies performing electrification in mobile homes claiming there are no mobile home approved appliances. We had Electrify America out and was told there are not electric tankless water heaters available for older mobile homes. What about costs involved in updating the electrical system? It is costing \$18,000 to upgrade the meter, pedestal and one of two electrical panels in my sister's mobile to accommodate an electric vehicle charger! There are some rebates and incentives but most senior citizens on fixed incomes

6-1

cannot afford these costs. And most are unaware of rebates and incentives. We all want a clean environment, but must be realistic in what citizens can afford and our electrical grid can support!

6-1

Response to Comment Letter #6*Response to Comment 6-1:*

Staff appreciates the comments and understands there are unique technical challenges for upgrading space and water heating appliance in mobile homes. PAR 1111 and PAR 1121 have been amended to remove the zero-NOx emission standard for space and water heating appliance installations in existing mobile homes. PARs 1111 and 1121 will require appliances in mobile homes to transition to zero-NOx emission appliances after January 1, 2027, but only when the *mobile home itself* is replaced. The proposed rules also includes exemption for any (new or existing) mobile home located in a master-metered park due to the limited electricity available for each mobile home.

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For further discussion on cost, please refer to Response to General Comment 2.

COMMENT LETTER #7: MARTA WALL**Jennifer Vinh**

From: [REDACTED]
Sent: Wednesday, February 26, 2025 1:28 PM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name: Marta Wall****Email:** [REDACTED]**Phone:** [REDACTED]**Message:**

I live in Hesperia, CA in an ALL ELECTRIC MOBILEHOME, and my MONTHLY ELECTRIC BILL FOR 2 PEOPLE, 1097 SQ FT. HOME IS OVER 450.00 A MONTH!

7-1

Response to Comment Letter #7*Response to Comment 7-1:*

An all-electric, zero-NOx mobile home complies with all the future provisions of PARs 1111 and 1121. Once your existing appliances reach the end of the useful life and need replacement, consider installing energy efficient heat pump technologies for space and water heating. If the electric appliances in your mobile home rely on electric resistance, transitioning to heat pump technologies could save on utility bills.

For further discussion on cost, please refer to Response to General Comment 2.

COMMENT LETTER #8: MICHAEL HOWARD**Jennifer Vinh**

From: [REDACTED]
Sent: Tuesday, February 25, 2025 5:54 PM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name: Michael Howard****Email:** [REDACTED]**Phone:** [REDACTED]**Message:**

the Rule change Rules 1111 and 1121 Fact Sheet (English) is illegal voided by President Trumps banning of the Green New Deal and supporting regulations. There is no emergency requiring the rule notice all Republican representative state wide and congressional asking for an injunctive action

8-1

Response to Comment Letter #8*Response to Comment 8-1:*

These rules are being proposed to address regional air quality. The South Coast AQMD has the worst air quality in the nation and the NOx emission reductions that can be achieved from these rule amendments will improve the air quality for people who live and work in our region. With regard to the President's Executive Orders, those orders do not prohibit local rules such as PAR 1111 and PAR 1121.

For discussion on the need for rule amendment, please refer to Response to General Comment 10.

COMMENT LETTER #9: PAMELA BUCK**Jennifer Vinh**

From: [REDACTED]
Sent: Tuesday, February 25, 2025 4:55 PM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name: Pamela Buck****Email:** [REDACTED]**Phone:** [REDACTED]**Message:**

In response to the proposed ban on gas-powered furnaces and water heaters, to be replaced by electric-powered furnaces and water heaters, where does the AQMD propose California is going to find sufficient electricity to power these as well as all of the electric cars that will also need to draw on our poor electrical supply? Additionally, electric furnaces are very expensive to operate and I would surmise that the same is true for electric water heaters. This proposal makes no sense at all. What are the proposals for citizens when massive power failures happen?

9-1

Response to Comment Letter #9*Response to Comment 9-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3.

For discussion on technology readiness, please refer to Response to General Comment 4.

COMMENT LETTER #10: SHAUN UHLS**Jennifer Vinh**

From: [REDACTED]
Sent: Tuesday, February 25, 2025 4:31 PM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name: Shaun Uhls****Email:** [REDACTED]**Phone:****Message:**

Why should we switch to all electric for every appliance. We already have black outs and you're turning off power for days on end because it's a "safety issue" during fires. So everyone switches to electric appliances and when power is shut off then nobody can cook, have heat, or hot water for bathing. Not to mention how much everyone's bill is going to be. Gas is a cheaper utility. My average gas bill is \$35 per month while Edison is \$400 a month. Now I'm going to pay over \$1,000 in the summer for Edison. No thank you. Do not make this a new requirement.

10-1

Response to Comment Letter #10*Response to Comment 10-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on cost, including utility costs, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3.

For discussion on technology readiness, please refer to Response to General Comment 4.

COMMENT LETTER# 11: AMIR BAUM**Jennifer Vinh**

From: Amir Baum <[REDACTED]>
Sent: Monday, March 3, 2025 4:25 PM
To: Jennifer Vinh
Subject: [EXTERNAL] Letter in Urgent Support of Rules 1111 1121

Dear Ms. Vinh,

I am writing in strong support of the proposed amendments to Rules 1111 and 1121. I applaud AQMD's work to reduce NOX emissions, thereby reducing new asthma cases, hospital visits and premature deaths. Our air quality has vastly improved because of your historic efforts, but we still have some of the worst air quality in the nation.

In the long run, these rules will save money and reduce emissions that impact our environment and our health. There is evidence to back this up, and the urgency for action cannot be greater when action at the federal level is falling apart to protect our air and our environment. Therefore it is contingent on you as an elected SCAQMD board member to listen to the community concerns and to take them into consideration to place health over profit to make the right decisions for our health and safety.

Thank you for your efforts in providing better living conditions in our region.

Sincerely,
Amir Baum

Response to Comment Letter #11

Response to Comment 11-1:

Staff appreciates the support.

11-1

COMMENT LETTER #12: BUD REVELEY**Jennifer Vinh**

From: Bud Reveley <[REDACTED]>
Sent: Monday, March 3, 2025 1:51 PM
To: Jennifer Vinh
Subject: [EXTERNAL] Natural gas use

12-1

As a Southern California's homeowner and resident I strongly oppose the SCAQMD proposed amendments to Rule 1111 (Space Heating) and Rule 1121 (Water Heating) as these rules will force me to remodel by home at great cost causing a hardship to my family.

Response to Comment Letter #12*Response to Comment 12-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on technology readiness, please refer to Response to General Comment 4.

COMMENT LETTER #13: CARMEN RAWSON**Jennifer Vinh**

From: Carmen Rawson <[REDACTED]>
Sent: Saturday, March 1, 2025 2:28 PM
To: Clerk of Board; Jennifer Vinh
Subject: [EXTERNAL] Public Comment - Opposition to SCAQMD Proposed Amendments to Rules 1111 and 1121

To Whom It May Concern,

13-1

As a Southern California's homeowner and resident **I strongly oppose the SCAQMD proposed amendments to Rule 1111 (Space Heating) and Rule 1121 (Water Heating)** as these rules will force me to remodel by home at great cost causing a hardship to my family.

These amendments basically eliminate the use of natural gas furnaces and water heaters not only for new buildings but also for existing buildings.

For new buildings the installation of an electric heat pump (for space heating) and an electric water heater could be accommodated as part of the new building's design and construction. However, to make such a change for existing buildings can become a severe/insurmountable financial hardship, especially for multi units/condos buildings with individual space and water heating systems for each unit.

Furthermore, in some dense residential areas there may be not enough space between buildings to install the heat pump system's outdoor units. And most existing units do not have a 240V electrical outlet where the current gas water heaters are installed.

This burden will affect not only homeowners but also the many renters we have in Southern California as, upon failure of the existing gas furnaces and/or existing gas water heaters, landlords will have to obtain city permits and hire contractors to modify their buildings to replace the existing gas units with electric units. This takes a lot of time and, during this process, renters will not have a way to heat the unit or the water in the rental unit.

Even further, our electrical grid is already strain so converting residential appliances from natural gas to electric units will further strain the grid. We already have planned/mandated power outages so additional electrical consumption/demand will further deteriorate the grid reliability. Additionally, the operating cost of electrical appliances is much higher than the operating cost of natural gas appliances so this will be a significant burden for renters - especially for low income renters who may be displaced when paying for electricity becomes out of their reach.

Water heaters and furnaces are not luxury items; they are essential. The proposed amendments will further worsen the housing affordability crisis we have in our state.

I am in support of efforts to improve our air quality but the proposed amendments are not the answer. SCAQMD's heart may be in the right place but the focus is definitely in the wrong place. Rather than banning natural gas furnaces and water heaters the focus should be in improvements and incentives - working with manufacturers to further reduce the NOx emissions of their products.

Where the focus should be:

Wildfires produce nitrogen oxides (NOx) and are a very substantial contributor to air pollution with NOx being considered one of the main pollutants emitted from large-scale wildfires alongside particulate matter and carbon monoxide; essentially, burning biomass during a wildfire releases nitrogen oxides into the atmosphere. Wildfires are a main contributor to global warming.

Rather than focusing on banning natural gas appliances the main focus should be in preventing wildfires by developing better early/advance detection/monitoring systems that would result in a faster wildfire fighting response potentially limiting the size of the wildfire and its related NOx emissions.

Additionally, the focus should be working with So Cal Edison to improve their distribution system so sparks do not start wildfires, etc.

In conclusion, I am requesting herein for SCAQMD to not approve/implement the proposed amendments to Rule 1111 and Rule 1121.

Sincerely,
Carmen Rawson

Response to Comment Letter #13

Response to Comment 13-1:

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3.

For discussion on technology readiness, please refer to Response to General Comment 4.

For discussion on the cost-effectiveness analysis, please refer to Response to General Comment 6.

For discussion on emergency replacement, please refer to Response to General Comment 7.

For discussion on the need for rule amendment, please refer to Response to General Comment 10.

Regarding the air impact of wildfires, wildfires are exceptional events that adversely affect region air quality. Wildfire emissions are a concern to South Coast AQMD but are outside the scope of PAR 1111 and PAR 1121. The primary concern is particulate matter emissions (PM2.5 and PM10). Rule development for Proposed Rule 444.1 – PM Reductions from Forest Waste for Wildfire Prevention will be initiated, information on that rulemaking will be posted here: <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-404-and-444-1>. South Coast AQMD is supporting ongoing federal, state, and local efforts in response to the recent devastating Los Angeles wildfires. More information for wildfire response can be found here: <https://www.aqmd.gov/2025-wildfire-response>.

COMMENT LETTER #14: CAROL KERR**Jennifer Vinh**

From: Carol Kerr <[REDACTED]>
Sent: Sunday, March 2, 2025 9:29 AM
To: Jennifer Vinh
Subject: [EXTERNAL] Oppose SCAQMD Amendments to Rule 1111 & 1121

14-1

As a Southern California homeowner and resident, I strongly oppose the SCAQMD proposed amendments to Rule 1111 (Space Heating) and Rule 1121 (Water Heating) as these rules will force me to remodel my home at great cost causing a hardship to my family.

These amendments basically eliminate the use of natural gas furnaces and water heaters not only for new buildings but also for existing buildings.

For new buildings the installation of an electric heat pump (for space heating) and an electric water heater could be accommodated as part of the new building's design and construction. However, to make such a change for existing buildings can become a severe/ insurmountable financial hardship, especially for multi units/ condos buildings with individual space and water heating systems for each unit.

Furthermore, in some dense residential areas there may be not enough space between buildings to install the heat pump system's outdoor units. And most existing units do not have a 240V electrical outlet where the current gas water heaters are installed.

This burden will affect not only homeowners but also the many renters we have in Southern California as, upon failure of the existing gas furnaces and/or existing gas water heaters, landlords will have to obtain city permits and hire contractors to modify their buildings to replace the existing gas units with electric units. This takes a lot of time and, during this process, renters will not have a way to heat the unit or the water in the rental unit.

Even further, our electrical grid is already strain so converting residential appliances from natural gas to electric units will further strain the grid. We already have planned/ mandated power outages so additional electrical consumption/ demand will further deteriorate the grid reliability.

Additionally, the operating cost of electrical appliances is much higher than the operating cost of natural gas appliances so this will be a significant burden for renters - especially for low income renters who may be displaced when paying for electricity becomes out of their reach.

Water heaters and furnaces are not luxury items; they are essential. The proposed amendments will further worsen the housing affordability crisis we have in our state.

I am in support of efforts to improve our air quality but the proposed amendments are not the answer. SCAQMD's heart may be in the right place but the focus is definitely in the wrong place. Rather than banning natural gas furnaces and water heaters, the focus should be in improvements and incentives - working with manufacturers to further reduce the NOx emissions of their products.

Where the focus should be:

Wildfires (possibly caused by old electric wiring malfunctions) produce nitrogen oxides (NOx) and are a very substantial contributor to air pollution with NOx being considered one of the main pollutants emitted from large-scale wildfires alongside particulate matter and carbon monoxide; essentially, burning biomass during a wildfire releases nitrogen oxides into the atmosphere. Wildfires are a main contributor to global warming.

Rather than focusing on banning natural gas appliances the main focus should be in preventing wildfires by developing better early/ advance detection/ monitoring systems that would result in a faster wildfire fighting response potentially limiting the size of the wildfire and its related NOx emissions.

14-1

Additionally, the focus should be working with So Cal Edison to improve their distribution system so sparks do not start wildfires, etc.

In conclusion, I am requesting herein for SCAQMD to not approve or implement the proposed amendments to Rule 1111 and Rule 1121.

Sent from my iPhone

Response to Comment Letter #14

Response to Comment 14-1:

Please see Appendix B Response to Comment 13-1.

COMMENT LETTER #15: MELINA ERSHAGHI**Jennifer Vinh**

From: Melina Ershaghi <[REDACTED]>
Sent: Monday, March 3, 2025 7:31 PM
To: Clerk of Board; Jennifer Vinh
Subject: [EXTERNAL] NOT approve/implement the proposed amendments to Rule 1111 and Rule 1121.

15-1

To Whom It May Concern, As a Southern California's homeowner and resident I strongly oppose the SCAQMD proposed amendments to Rule 1111 (Space Heating) and Rule 1121 (Water Heating) as these rules will force me to remodel by home at great cost causing a hardship to my family. These amendments basically eliminate the use of natural gas furnaces and water heaters not only for new buildings but also for existing buildings. For new buildings the installation of an electric heat pump (for space heating) and an electric water heater could be accommodated as part of the new building's design and construction. However, to make such a change for existing buildings can become a severe/insurmountable financial hardship, especially for multi units/condos buildings with individual space and water heating systems for each unit. Furthermore, in some dense residential areas there may be not enough space between buildings to install the heat pump system's outdoor units. And most existing units do not have a 240V electrical outlet where the current gas water heaters are installed. This burden will affect not only homeowners but also the many renters we have in Southern California as, upon failure of the existing gas furnaces and/or existing gas water heaters, landlords will have to obtain city permits and hire contractors to modify their buildings to replace the existing gas units with electric units. This takes a lot of time and, during this process, renters will not have a way to heat the unit or the water in the rental unit. Even further, our electrical grid is already strain so converting residential appliances from natural gas to electric units will further strain the grid. We already have planned/mandated power outages so additional electrical consumption/demand will further deteriorate the grid reliability. Additionally, the operating cost of electrical appliances is much higher than the operating cost of natural gas appliances so this will be a significant burden for renters - especially for low income renters who may be displaced when paying for electricity becomes out of their reach. Water heaters and furnaces are not luxury items; they are essential. The proposed amendments will further worsen the housing affordability crisis we have in our state. I am in support of efforts to improve our air quality but the proposed amendments are not the answer. SCAQMD's heart may be in the right place but the focus is definitely in the wrong place. Rather than banning natural gas furnaces and water heaters the focus should be in improvements and incentives - working with manufacturers to further reduce the NOx emissions of their products. Where the focus should be: Wildfires produce nitrogen oxides (NOx) and are a very substantial contributor to air pollution with NOx being considered one of the main pollutants emitted from large-scale wildfires alongside particulate matter and carbon monoxide; essentially, burning biomass during a wildfire releases nitrogen oxides into the atmosphere. Wildfires are a main contributor to global warming. Rather than focusing on banning natural gas appliances the main focus should be in preventing wildfires by developing better early/advance detection/monitoring systems that would result in a faster wildfire fighting response potentially limiting the size of the wildfire and its related NOx emissions. Additionally, the focus should be working with So Cal Edison to improve their distribution system so sparks do not start wildfires, etc. In conclusion, I am requesting herein for SCAQMD to not approve/implement the proposed amendments to Rule 1111 and Rule 1121.

Response to Comment Letter #15***Response to Comment 15-1:***

Please see Appendix B Response to Comment 13-1.

COMMENT LETTER #16: ROSE PEREZ JESSEN**Jennifer Vinh**

From: [REDACTED]
Sent: Monday, March 3, 2025 1:25 PM
To: Clerk of Board; Jennifer Vinh
Subject: [EXTERNAL] SCAQMD 06Mar25 Zoom Mtg - Amendments to Rule 1111 (Space Heating) and Rule 1121

To Whom It May Concern,

16-1

As a Southern California's homeowner and resident I strongly oppose the SCAQMD proposed amendments to Rule 1111 (Space Heating) and Rule 1121 (Water Heating) as these rules will force me to remodel my home at great cost causing a hardship to me and my family.

These amendments basically eliminate the use of natural gas furnaces and water heaters not only for new buildings but also for existing buildings.

For new buildings the installation of an electric heat pump (for space heating) and an electric water heater could be accommodated as part of the new building's design and construction. However, to make such a change for existing buildings can become a severe/insurmountable financial hardship, especially for multi units/condos buildings with individual space and water heating systems for each unit.

Furthermore, in some dense residential areas there may be not enough space between buildings to install the heat pump system's outdoor units. And most existing units do not have a 240V electrical outlet where the current gas water heaters are installed.

This burden will affect not only homeowners but also the many renters we have in Southern California as, upon failure of the existing gas furnaces and/or existing gas water heaters, landlords will have to obtain city permits and hire contractors to modify their buildings to replace the existing gas units with electric units. This takes a lot of time and, during this process, renters will not have a way to heat the unit or the water in the rental unit.

Even further, our electrical grid is already strain so converting residential appliances from natural gas to electric units will further strain the grid. We already have planned/mandated power outages so additional electrical consumption/demand will further deteriorate the grid reliability. Additionally, the operating cost of electrical appliances is much higher than the operating cost of natural gas appliances so this will be a significant burden for renters - especially for low income renters who may be displaced when paying for electricity becomes out of their reach.

Water heaters and furnaces are not luxury items; they are essential. The proposed amendments will further worsen the housing affordability crisis we have in our state.

I am in support of efforts to improve our air quality but the proposed amendments are not the answer. SCAQMD's heart may be in the right place but the focus is definitely in the wrong place. Rather than banning natural gas furnaces and water heaters the focus should be in improvements and incentives - working with manufacturers to further reduce the NOx emissions of their products.

Where the focus should be:

Wildfires produce nitrogen oxides (NOx) and are a very substantial contributor to air pollution with NOx being considered one of the main pollutants emitted from large-scale wildfires alongside particulate matter and carbon monoxide; essentially, burning biomass during a wildfire releases nitrogen oxides into the atmosphere. Wildfires are a main contributor to global warming.

Rather than focusing on banning natural gas appliances the main focus should be in preventing wildfires by developing better early/advance detection/monitoring systems that would result in a faster wildfire fighting response potentially limiting the size of the wildfire and its related NOx emissions.

Additionally, the focus should be working with So Cal Edison to improve their distribution system so sparks do not start wildfires, etc.

16-1

In conclusion, I am requesting herein for SCAQMD to not approve/implement the proposed amendments to Rule 1111 and Rule 1121.

Rose Perez Jessen
Newport Beach, CA 90292

Response to Comment Letter #16

Response to Comment 16-1:

Please see Appendix B Response to Comment 13-1.

COMMENT LETTER #17: TRISTAN MILLER

Jennifer Vinh

From: Tristan Miller [REDACTED] >
Sent: Monday, March 3, 2025 10:29 AM
To: Jennifer Vinh
Subject: [EXTERNAL] support Rule 1111 and 1211

Hi Jen,

As a Californian and business owner, we support 1111 and 1211.

It saves lives, improves our health, and makes our homes/businesses more comfortable and more efficient.

Our family of 5 and business supports this!

Tristan Miller
Superior Avenue, Newport Beach, CA

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17-1



Response to Comment Letter #17

Response to Comment 17-1:

Staff appreciates the support.

COMMENT LETTER #18 VICKI CHAMBERLAIN**Jennifer Vinh**

From: Vicki Chamberlain <[REDACTED]>
Sent: Monday, March 3, 2025 5:27 PM
To: Clerk of Board; Jennifer Vinh
Subject: [EXTERNAL] Please oppose

18-1

To Whom it may concern,

As a resident of CA and homeowner of 2 homes and several rental properties, I strongly oppose the SCAQMD proposed amendments to Rule 1111, Space Heating and Rule 1121, Water Heating as these rules will force me to remodel and become a costly construction bill. This will in return become a financial hardship.

These amendments basically eliminate the use of natural gas furnaces and water heaters. For new buildings the installation of an Electric heat pump for space heating and an electric water heater could become part of a new design however, I am an existing home(s). With close proximity of some properties, some residential areas may not accommodate between buildings for the system's outside units! Most existing units do not have 240V electrical outlets where the current gas water heaters are installed.

Besides the fact the timelines, cost, etc. this amendment will disrupt existing tenants waiting on permits, contractors and how will they have heat?

We already have a taxed electrical grid in Southern Ca as it is, We have scheduled and planned outages so additional consumption will just further increase these outages. Electrical appliances are at an operating cost higher than natural gas, so again a significant burden to those of us struggling financially in this state already.

We are not talking about luxury items, these are a necessity for living!

I support efforts to improve our air quality but not at the expense of these proposed amendments.

Please I am requesting to VETO these amendments, Rule 1111 and Rule 1121

Respectfully Submitted,
 Vicki M. Chamberlain

Response to Comment Letter #18*Response to Comment 18-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3.

For discussion on technology readiness, please refer to Response to General Comment 4.

For discussion on the cost-effectiveness analysis, please refer to Response to General Comment 6.

For discussion on emergency replacement, please refer to Response to General Comment 7.

For discussion on the need for rule amendment, please refer to Response to General Comment 10.

COMMENT LETTER #19: CITY OF PALM DESERT

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RESOLUTION NO. 2025-013

19-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, EXPRESSING CONCERN REGARDING THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT'S PROPOSED AMENDMENTS TO RULES 1111 AND 1121, PHASING OUT GAS WATER HEATERS AND FURNACES

WHEREAS, The South Coast Air Quality District (SCAQMD) is a regional air pollution control agency representing Los Angeles, Orange, Riverside, and San Bernardino counties with responsibility for regulating stationary sources of air pollution; and

WHEREAS, The SCAQMD is considering two rules that would have a significant impact on up to 17 million South Coast homeowners, renters and businesses: Rule 1111 would regulate air emissions from gas-powered central furnaces; and Rule 1121 would regulate air emissions from residential-type, natural gas-powered water heaters; and

WHEREAS, Rules 1111 and 1121 would impose additional costs to consumers and while incentives exist, homeowners and renters may still face significant out-of-pocket expenses when transitioning to electric appliances; and

WHEREAS, Housing affordability throughout California is and will remain a top public policy priority for the City of Palm Desert for the foreseeable future. Local governments are being pressured to build more housing – specifically, housing that people can afford. Any regulations that increase these costs deserve careful scrutiny to ensure that the increased costs are met with an equal or greater amount of benefit to the consumer; and

WHEREAS, The SCAQMD's water heater and furnace mandates will impose a significant increase in electricity demand on California's electric grid. Transitioning to all-electric water heaters and furnaces means an increased demand on an electric grid that has not proven capable of consistently meeting existing demand. Water heaters and furnaces are essential elements in any house, apartment, or business. Millions of new electric water heaters and furnaces would draw power from the grid and raise the risk of power brownouts or outages; and

WHEREAS, The incentive and rebate programs require easier access and use for homeowners and renters, greater coordination with cities is needed to have homeowners/renters access these incentives and rebates, and the proposed amendments need to be softened and relaxed to lessen the impact to homeowners and renters.

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Resolution No. 2025-013

Page 2

19-1

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Palm Desert, California, as follows:

SECTION 1. Rules 1111 and 1121 will have a negative impact as proposed and impose significant costs on millions of Southern California homeowners, renters, and businesses who are already struggling with rising costs.

SECTION 2. The City of Palm Desert opposes Proposed Amended Rules 1111 and 1121 and urges the SCAQMD to delay consideration until the proposed amendments lessen the impact on properties and allow for streamlined eligibility of incentives and rebates before deciding to enact these amendments.

ADOPTED ON FEBRUARY 27, 2025.

Signed by:
Jan Harnik
DC37D0D2CC44D4

JAN HARNIK
MAYOR

ATTEST:

Signed by:
Anthony J. Mejia
8063A189723D437

ANTHONY J. MEJIA
CITY CLERK

I, Anthony J. Mejia, City Clerk of the City of Palm Desert, hereby certify that Resolution No. 2025-013 is a full, true, and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Desert on February 27, 2025, by the following vote:

- AYES: NESTANDE, PRADETTO, QUINTANILLA, TRUBEE, AND HARNIK
- NOES: NONE
- ABSENT: NONE
- ABSTAIN: NONE
- RECUSED: NONE

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Palm Desert, California, on 3/3/2025.

Signed by:
Anthony J. Mejia
8063A189723D437

ANTHONY J. MEJIA
CITY CLERK

Response to Comment Letter #19*Response to Comment 19-1:*

Regarding the zero-NOx emission mandate, the new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on affordability and cost, which could impact concerns on the housing crisis, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3.

For discussion on the need for rule amendment, please refer to Response to General Comment 10.

Staff looks forward to working with our local cities as we launch our Go Zero incentive program and will strive to make the process to access those funds as easy as possible for consumers.

COMMENT LETTER #20: RUTH BRISSENDEN

From: Ruth Brissenden <[REDACTED]>
Sent: Wednesday, March 5, 2025 7:54 AM
To: Jennifer Vinh <[REDACTED]>
Subject: [EXTERNAL] Proposed Amended Rules 1111 and 1121

To Whom It May Concern:

I believe replacing gas water heaters and furnaces with heat pump technology is a good idea for the environment, however, as many commenters have pointed out, the additional cost will likely be an immense hardship for many people.

My own research into heat pumps shows that the cost is approximately twice that of existing gas appliances. Possibly more if electric work is required. This presents a huge problem for those unable to afford such lavish upgrades. The rules MUST be promulgated in such a way so as not burden those in lower or fixed income brackets.

Additionally, because most folks are not familiar with how heat pumps work, information regarding this subject should be included and easily accessible on the Proposed Amended Rules webpages.

Sincerely,

Ruth Brissenden, J.D.

Response to Comment Letter #20*Response to Comment 20-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on technology readiness, please refer to Response to General Comment 4.

For discussion on outreach, please refer to Response to General Comment 5.

Several presentations included on the proposed rules page have discussions on the benefits of heat pumps and how they work including slides 32 – 36 in the first working group meeting [presentation](#) from October 5, 2023.

As staff develops more outreach materials for the upcoming Go Zero incentive program, more user friendly, plain language materials will be developed to better inform the public about incentive funding, upcoming regulatory requirements, and the benefits and advantages of installing clean and efficient heat pump appliances.

20-1

COMMENT LETTER #21: LENORA DEMARS

-----Original Message-----

From: Lenora DeMars <[REDACTED]>

Sent: Wednesday, March 5, 2025 11:46 AM

To: Jennifer Vinh <[REDACTED]>

Subject: [EXTERNAL] Proposed rules 1111 and 1121

Dear South Coast AQMD,

I am writing in support of the proposed amendments to rules 1111 and 1121. I applaud AQMD's work to reduce NOX emissions, thereby reducing new asthma cases, hospital visits and premature deaths. Our air quality has vastly improved because of your historic efforts, but we still have some of the worst air quality in the nation.

In the long run, these rules will save money and reduce emissions that impact our environment and our health.

Thank you for your efforts in providing better living conditions in our region.

Sincerely,

Lenora DeMars

Response to Comment Letter #21

Response to Comment 21-1:

Staff appreciates the support.

21-1

COMMENT LETTER #22: KISLEV JOY ANG**Marissa Poon**

From: Jennifer Vinh
Sent: Thursday, March 6, 2025 10:36 AM
To: [REDACTED]
Subject: FW: [EXTERNAL] Re: SCAQMD Rule 1111 and 1121

From: Kislev Joy Ang <[REDACTED]>
Sent: Wednesday, March 5, 2025 9:08 AM
To: jvinh@scaqmd.ca.gov; jafshar@scaqmd.ca.gov; jvinh@aqmd.ca.gov; jafshar@aqmd.ca.gov; eyen@aqmd.ca.gov; Jennifer Vinh <jvinh@aqmd.gov>; Jivar Afshar <jafshar@aqmd.gov>; Emily Yen <eyen@aqmd.gov>; Yanrong Zhu <yzhu1@aqmd.gov>
Subject: [EXTERNAL] Re: SCAQMD Rule 1111 and 1121

Good morning.

I am submitting the following comments as a resident living in SCAQMD jurisdiction and not as a representative of the City of LA:

Kislev

On Tue, Mar 4, 2025 at 12:14 PM Kislev Joy Ang <[REDACTED]> wrote:

Good afternoon.

FYI, the email addresses listed in [this notice](#) are incorrect.
<https://www.aqmd.gov/docs/default-source/public-notices/public-workshops-and-consultations/nopc-par1111andpar1121-030625.pdf?sfvrsn=6>

I am submitting the following comments as a resident of SCAQMD and not as a representative of the City of LA:

- **Emissions and evaporative standards on equipment manufactured will be a better pathway for certification, implementation and enforcement.**
- The proposed amendment to SCAQMD Rules 1111 and 1121 will transition applicability from the **manufacturers to private citizens.**
- Wealthier people are those most likely to take advantage of the proposed offered incentives as they will be the ones with the disposable income and will be able to convert their equipment prior to need.
- Most of the residents that "need" to replace one equipment will likely, due to limited resources, replace only the equipment that need replacing, not both equipments that SCAQMD is proposing to replace (2-in-1).
- Like other incentives in the past (e.g. electric vehicle purchase), by the time a person absolutely needs to replace the equipment (when no amount of repair can fix the it), the incentive program has ended and there is no available funds left.

22-1

Thank you for your consideration.

--

----- Forwarded message -----

From: **Kislev Joy Ang** <[REDACTED]>
Date: Tue, Mar 4, 2025 at 10:43 AM
Subject: SCAQMD Rule 1111 and 1121
To: <jvinh@aqmd.ca.gov>, <jafshar@aqmd.ca.gov>

I am submitting the following comments as a resident of SCAQMD and not as a representative of the City of LA:

- **Emissions and evaporative standards on equipment manufactured will be a better pathway for certification, implementation and enforcement.**
- The proposed amendment to SCAQMD Rules 1111 and 1121 will transition applicability from the **manufacturers to private citizens.**
- Wealthier people are those most likely to take advantage of the proposed offered incentives as they will be the ones with the disposable income and will be able to convert their equipment prior to need.
- Most of the residents that "need" to replace one equipment will likely, due to limited resources, replace only the equipment that need replacing, not both equipments that SCAQMD is proposing to replace (2-in-1).
- Like other incentives in the past (e.g. electric vehicle purchase), by the time a person absolutely needs to replace the equipment (when no amount of repair can fix the it), the incentive program has ended and there is no available funds left.

--

Kislev Ang, MS, REHS
Environmental Supervisor
External Affairs Division | LA Sanitation and Environment
Dept. of Public Works | City of Los Angeles
Phone | [REDACTED]
Email | [REDACTED]
Web | www.lacitysan.org



Response to Comment Letter #22*Response to Comment 22-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

The rule is applicable to the supply chain such as manufacturers, distributors, and installers. By the new rule concept, consumers have the choice of both zero-NOx emission units and NOx-emitting natural gas-fired units.

For discussion on consumer choice, please refer to Response to General Comment 1.

Regarding the incentive funding, if this rule concept is adopted by the South Coast AQMD Governing Board, the mitigation funds will provide an ongoing revenue source to fund the Go Zero incentive program for zero-NOx emissions appliances. While Go Zero will not collect enough funds to provide everyone in our jurisdiction with a rebate, we will focus on getting rebates to those in the most overburdened regions. Further, as time goes on and these technologies become more commonplace, costs are likely to decrease. Upfront costs for NOx-emitting HVAC systems and heat pumps are already equivalent and nationwide sales show heat pumps to be outselling gas furnaces. These efficient, clean appliances can also result in lower utility bills for homeowners providing a financial benefit for the homeowner and improving the region air quality. For discussion on cost, please refer to Response to General Comment 2.

A heat pump HVAC provides both heating and cooling functions in one unit. For discussion on technology readiness, please refer to Response to General Comment 4.

For discussion on emergency replacement, please refer to Response to General Comment 7.

For discussion on incentives, please refer to Response to General Comment 11.

COMMENT LETTER #23: JAMES ELDER**Marissa Poon**

From: Jennifer Vinh
Sent: Thursday, March 6, 2025 8:20 AM
To: [REDACTED]
Subject: FW: [EXTERNAL] Proposed Rules 1111 and 1121

From: James Elder <[REDACTED]>
Sent: Wednesday, March 5, 2025 6:43 PM
To: Jennifer Vinh <JVinh@aqmd.gov>
Cc: [REDACTED]
Subject: [EXTERNAL] Proposed Rules 1111 and 1121

Dear South Coast AQMD,

I am writing to strongly support the proposed amendments to Rules 1111 and 1121. I applaud your work to reduce emissions and keep the people of our district safe and healthy.

Last night, the Huntington Beach City Council voted to write a letter opposing the amendments, but I want you to know the people of Huntington Beach support South Coast AQMD and your decision to protect us and the environment.

Thank you for your hard work and dedication.

Warm regards,
James

Huntington Beach Resident

Response to Comment Letter #23

Response to Comment 23-1:

Staff appreciates the support.

23-1

COMMENT LETTER #24: WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Western Riverside Council of Governments

County of Riverside • City of Banning • City of Beaumont • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale
 City of Hemet • City of Jurupa Valley • City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco
 City of Perris • City of Riverside • City of San Jacinto • City of Temecula • City of Wildomar • Eastern Municipal Water District
 Western Municipal Water District • Riverside County Superintendent of Schools

RESOLUTION NUMBER 01-25

**A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE
 WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
 OPPOSING THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT'S
 PROPOSED AMENDED RULES 1111 AND 1121**

24-1

WHEREAS, the Western Riverside Council of Governments ("WRCOG") is a joint powers authority consisting of the County of Riverside and 18 cities, the Eastern Municipal Water District, the Western Municipal Water District, and the Riverside County Superintendent of Schools, situated in Western Riverside County; and

WHEREAS, the South Coast Air Quality Management District (SCAQMD) has proposed amendments to Rules 1111 and 1121 to require a transition to zero-emission residential furnaces and water heaters in an effort to reduce nitrogen oxide (NOx) emissions; and

WHEREAS, WRCOG recognizes the importance of improving air quality and reducing emissions to meet state and federal environmental goals; and

WHEREAS, the proposed amendments would place significant financial burdens on homeowners, businesses, and local governments due to the high costs of new appliances, infrastructure upgrades, and installation requirements; and

WHEREAS, there are concerns regarding the technological readiness of zero-emission heating appliances, particularly in existing housing stock where retrofitting may be costly or infeasible; and

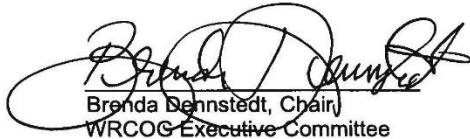
WHEREAS, the proposed implementation timeline may not allow sufficient time for communities, manufacturers, and contractors to transition effectively, potentially leading to supply chain challenges and increased costs; and

WHEREAS, several cities, councils of governments, and industry stakeholders have expressed opposition to the proposed amendments due to their economic and logistical challenges; and

WHEREAS, WRCOG supports a more measured approach that balances air quality improvements with economic feasibility, technological advancements, and equitable implementation strategies.

NOW THEREFORE, BE IT RESOLVED that the Executive Committee of the Western Riverside Council of Governments hereby opposes SCAQMD's Proposed Amended Rules 1111 and 1121 in their current form and urges SCAQMD to consider alternative approaches that minimize negative impacts on local governments, businesses, and residents.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on March 3, 2025.

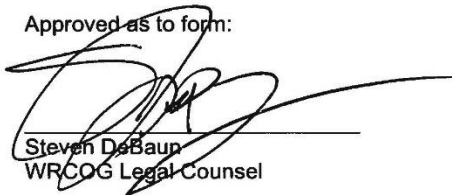


Brenda Dennstedt, Chair
WRCOG Executive Committee



Dr. Kurt Wilson, Secretary
WRCOG Executive Committee

Approved as to form:



Steven DeBaun
WRCOG Legal Counsel

AYES: 20

NAYS: 0

ABSENT: 4

ABSTAIN: 0

Response to Comment Letter #24

Response to Comment 24-1:

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes an alternative compliance option with zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

The proposed standards and alternative compliance option have future effective dates with a phased approach which will allow a gradual transition.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the electric grid, please refer to Response to General Comment 3.

For discussion on technology readiness, please refer to Response to General Comment 4.

For discussion on outreach, please refer to Response to General Comment 5.

For discussion on the need for rule amendment, please refer to Response to General Comment 10.

COMMENT LETTER #25: GREEN & HEALTHY HOMES INITIATIVE

2714 Hudson Street
Baltimore, MD 21224-4716
P: 410-534-6447
F: 410-534-6475
www.ghhi.org

March 6, 2025

South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Proposed Amended Rules 1111 and 1121

Dear SCAQMD Staff,

Thank you for the opportunity to provide further comments on the Proposed Amended Rules (PARs) 1111 and 1121. The Green & Healthy Homes Initiative (GHHI) continues to support the transition to zero-emission appliances as a critical measure to reduce harmful pollutants and improve public health in the South Coast Air Quality Management District.

We appreciate your continued work in developing PARs 1111 and 1121 to reduce NO_x emissions and achieve clean air goals. We also appreciate your thorough public presentations and receptiveness to public comments regarding the latest revisions to the rules.

As stated in our previous comments, we support PARs 1111 and 1121 on the basis that improved air quality will translate into significant health and environmental benefits for residents in the SCAQMD region. NO_x emissions are associated with a range of harmful health impacts for those exposed to elevated concentrations, including aggravation of respiratory diseases that can cause acute medical episodes (such as asthma-related hospitalizations and emergency room visits) for short term exposures and increased risk of the development of asthma and susceptibility to respiratory infections for long term exposures.¹ Studies across the country have found disproportionate exposure among communities of color to NO_x emissions as well as other air pollutants.^{2,3} Studies show consistent associations between higher pollution levels and

25-1

¹ Orellano, P., Reynoso, J., Quaranta, N., Bardach, A., & Ciapponi, A. (2020). Short-term exposure to particulate matter (PM₁₀ and PM_{2.5}), nitrogen dioxide (NO₂), and ozone (O₃) and all-cause and cause-specific mortality: Systematic review and meta-analysis. *Environment international*, *142*, 105876.

<https://doi.org/10.1016/j.envint.2020.105876>;

Huangfu, P., & Atkinson, R. (2020). Long-term exposure to NO₂ and O₃ and all-cause and respiratory mortality: A systematic review and meta-analysis. *Environment international*, *144*, 105998.

<https://doi.org/10.1016/j.envint.2020.105998>

² Gallagher, C. L., & Holloway, T. (2022). US decarbonization impacts on air quality and environmental justice. *Environmental Research Letters*, *17*(11), 114018.

³ Tessum, C. W., Paoletta, D. A., Chambliss, S. E., Apte, J. S., Hill, J. D., & Marshall, J. D. (2021). PM_{2.5} pollutants disproportionately and systemically affect people of color in the United States. *Science advances*, *7*(18), eabf4491. <https://doi.org/10.1126/sciadv.abf4491>

detrimental respiratory effects in children from exposure to pollutants, including worse lung function for children with asthma.⁴

Within the framework of the revised rules, we believe there are amendments that can help achieve NO_x reductions closer to the levels projected in the initial proposal. Specifically, we recommend the following:

1. Determine the Mitigation Fee for Noncompliance based on Health and Social Costs:

- As mentioned in the public consultation, it would be helpful to have more transparency on the methodology for determination of the mitigation fee. We feel that the fee should be directly tied to the health and social costs that marginal NO_x emissions impose on the region.
- A more substantial fee for manufacturers who fail to meet sales targets will create a stronger incentive for compliance and accelerate the transition to zero-emission appliances.

2. Accelerate the Ramp-Up of Sales Targets:

- The current phase-in schedule should be accelerated to achieve faster NO_x reductions and protect public health more effectively. The revised schedule essentially maintains business-as-usual until 2029. With a more ambitious schedule, SCAQMD can achieve greater air quality and health improvements, and more closely meet the original air quality and climate intent of these proposed rules.
- We believe a timeline of 50% zero emissions technology sales by 2027 and 75% by 2030 would strike a balance between climate and health benefits and the affordability and consumer choice concerns raised during the rulemaking process.

We emphasize that the health of vulnerable populations, particularly children, the elderly, and those with respiratory conditions, depends on swift and decisive action to reduce air pollution. Since frontline communities bear a disproportionate burden of air pollution, they also have the greatest opportunity for health benefits as air pollution is relieved.

We present these recommendations for amendments to PARs 1111 and 1121 in the hopes that the rules may be amended quickly and passed as scheduled in May. By doing so, SCAQMD will not only be achieving critical improvements in air quality, but also improving health outcomes for all residents in the district.

⁴ Belova, A., Dagli, R., Economu, N., Hartley, S., Holder, C., & Hubbard, H. (2022). Literature review on the impacts of residential combustion final report. https://www.lung.org/getmedia/2786f983-d971-43ad-962b-8370c950cbd6/ICF_Impacts-of-Residential-Combustion_FINAL_071022.pdf

Thank you again for your continued efforts to develop effective and equitable appliance rules in the South Coast region.

Sincerely,

Wynn Tucker

Director, Policy & Innovation

Green & Healthy Homes Initiative

Response to Comment Letter #25

Response to Comment 25-1:

Staff appreciates the support. Please refer to Response to Comment PC-3 and Response to Comment PC-4 for discussion on sales targets and mitigation fees. Future check-ins will consider adjustments to targets and fees.

COMMENT LETTER #26: VINOD GHAI**Jennifer Vinh**

From: [REDACTED]
Sent: Friday, March 7, 2025 2:29 PM
To: Jennifer Vinh
Subject: [EXTERNAL] AQMD amendment

26-1

I, Vinod Ghai, resident of Newport Beach, oppose the amendment under consideration for banning gas water heaters & furnaces. We, retired people, live on fixed income. These changes being implemented for the sake of environment are virtues signaling & would make no difference in the climate.
Please cancel these amendments or we will vote you out!!
Sent from my iPhone

Response to Comment Letter #26

Response to Comment 26-1:

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

COMMENT LETTER #27: VIRGINIA ANDERSE-ELLMORE**Marissa Poon**

From: Jennifer Vinh
Sent: Tuesday, March 11, 2025 1:13 PM
To: [REDACTED]
Subject: FW: Please support Rules 1111&1121

Support!

From: ginlujeff dslextreme.com <[REDACTED]>
Sent: Tuesday, March 11, 2025 12:52 PM
To: Jennifer Vinh <jvinh@aqmd.gov>
Subject: [EXTERNAL] Please support Rules 1111&1121

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

Proposed Rules 1111 and 1121

Dear South Coast AQMD,
 I am writing in support of Rules 1111 and 1121. I applaud AQMD's work to reduce NOX emissions, thereby reducing new asthma cases, hospital visits and premature deaths. Our air quality has vastly improved because of your historic efforts, but we still have some of the worst air quality in the nation. This is not a time for slowing down our effort to remove NOX.

I was a visiting nurse in the 1980, In the morning I would drive the 10 Freeway towards downtown L.A.. You would be able to see the LA downtown skyline, until 9-9:30 and then it would suddenly disappear due to smog. This all changed with the Catalytic converter. I remember all the complaints about being forced to have a catalytic converter, but in the end it was the right decision. We all benefited from this ruling. and we can see the L.A. skyline.
 The transition from natural gas to heat pumps is the right decision for today. Don't delay the transition.

In the long run, these rules will save money and reduce emissions that impact our environment and our health.

Thank you for your efforts in providing better living conditions in our region and helping to slow the climb in global temperature rise.

Sincerely,
 Virginia Anders-Ellmore
 [REDACTED]
 Newport Beach, CA 92663

27-1

Response to Comment Letter #27*Response to Comment 27-1:*

Staff appreciates the support.

COMMENT LETTER #28: JOHN ANDERSON

From: John Anderson [REDACTED]
Sent: Wednesday, March 12, 2025 4:10 PM
To: Peter Campbell <pcampbell@aqmd.gov>; Emily Yen <eyen@aqmd.gov>
Subject: [EXTERNAL] comment on gas heaters and water heaters

Dear Sir/Madam,

I was informed that the South Coast Air Quality Management District is seeking comments on the proposed rules 1111 and 1121 that would eventually ban the use of natural gas for heating our homes or heating water. This email is to provide my comments.

I am a 78-year-old homeowner who has lived in the San Gabriel Valley since 1965. My house has a gas furnace and a gas on-demand water heater. About 15 years ago I replaced the then existing gas water heater with an electric water heater. The electric water heater was more expensive to purchase than a comparable gas water heater, but the costs went up from there because the electric water heater had problems with the heating elements within a year or two. Each time this happened it was a significant expense to replace them. In addition, my electric bill went up substantially. Eventually when the heating elements broke down a 3rd time, I decided it wasn't worth all the extra expense and I very happily switched back to a gas water heater.

Why I believe it isn't sound policy to implement Rule 1111 and Rule 1121.

1. Natural gas is a lot less expensive than electricity to heat our homes and to heat water.
2. It costs me a lot more for additional electricity to cool my home in the summer than it does for additional gas to heat my home in the winter.
3. There isn't enough electric generation capacity now to cover the need for air conditioning during hot periods in the summer. The added demand for electricity to replace all the furnaces and water heaters would only exacerbate an already troubled electrical grid. I've experienced more electric power outages in the past few years that I ever did in the past.
4. The added cost of electric heat pumps and electric water heaters will add to housing costs and rents.

1

5. The recent fires in the Palisades and Eaton fire zones destroyed thousands of homes and businesses. If new electric heat pumps and water heaters will be required for all the new construction (starting on January 1, 2026) it will cause a large increase in electric usage in these areas.
6. Since electricity generation requires burning natural gas or coal, these rules will not reduce CO2 production. Solar panels and wind farms don't have the capacity to generate all the electricity now. Using the electricity consumption will only worsen the situation. The cost of generating electricity by solar and wind driven power is a lot more than electricity using natural gas.
7. My wife and I are older folks and we can ill afford added expense that these rules will bring if implemented. We don't want to be driven from our home in our final years.

Sincerely,

John Anderson
Resident in Duarte, CA

Response to Comment Letter #28

Response to Comment 28-1:

PAR 1111 and PAR 1121 do not ban natural gas. The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use. The sales targets are not hard caps. Manufacturers may sell more NOx-emitting natural gas-fired units by paying an over-target mitigation fee.

Staff identified various zero-NOx emission technologies that are commercially available. Modern heat pump HVAC and heat pump water heaters can reach 300 to 400 percent efficiency or even higher efficiencies that could result in utility bill savings over operating NOx-emitting gas appliances. Staff is aware that other zero-NOx emitting technologies, such as electric resistance space and water heaters, do not have the same high efficiency as heat pumps; therefore, it can be more expensive to operate. Modern, efficient, and clean, heat pump space and water heating appliances are projected to save on utility bills and improve the regional air quality.

For discussion on zero-NOx emission technology readiness, please refer to Response to General Comment 4. For discussion on cost, please refer to Response to General Comment 2.

For discussion on electricity demand and grid sustainability, please refer to Response to General Comment 3.

COMMENT LETTER #29: COALITION (EARTHJUSTICE, ACTERRA: ACTION FOR A HEALTHY PLANET, ACTIVE SAN GABRIEL VALLEY, CALIFORNIA ENVIRONMENTAL VOTERS, COALITION FOR CLEAN AIR, EVERGREEN ACTION, GREEN AND HEALTHY HOMES INITIATIVE, GREEN SANCTUARY UNITARIAN UNIVERSALIST CHURCH OF PALO ALTO, LOS ANGELES CLIMATE REALITY PROJECT, PEOPLE'S COLLECTIVE FOR ENVIRONMENTAL JUSTICE, PROJECT GREEN HOME, REDWOOD ENERGY, RUN ON CLIMATE, SIERRA CLUB ANGELES CHAPTER, STAND.EARTH, VECTOR GREEN POWER, LLC)



March 12, 2025

VIA ELECTRONIC MAIL

Heather Farr
 Manager
 Email: hfarr@aqmd.gov

Jen Vinh
 Air Quality Specialist
 Email: jvinh@aqmd.gov
 South Coast Air Quality Management District

Re: Comments on Proposed Amendments to Rules 1111 & 1121- Zero-NOx Standards for Residential Water Heaters and Furnaces

Dear Mses. Farr and Vinh:

We appreciate your continued focus on Rules 1111 and 1121 (Rules). It is imperative we pass rule amendments in May to ensure we are on track to achieve important regional emission reductions and move towards compliance with federal ozone and PM2.5 standards. Unfortunately, the concessions in the third preliminary draft of the proposed amendments drastically reduce the expected emission reductions by 40% compared to the previous drafts and allow for significant manufacturer noncompliance. Even achieving these smaller pollution reductions is highly uncertain as the proposed mitigation and penalty fees are likely insufficient

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to incentivize compliance with the zero-emissions sales targets. The unnecessary weakening of the Rules not only jeopardizes their intended health benefits but also poses a significant barrier to achieving a successful transition to zero-emissions equipment—a key tenet of the 2022 AQMP.

I. Summary of Recommendations

To ensure the Rules are effective in maximizing emission reductions, it is imperative that the following changes be made to the rule language:

- Accelerate the timeline for zero-emission NOx appliance targets to meet or exceed the state’s commitments.
- Tier the non-compliance fee for each NOx-emitting unit sold above the sales target based on the degree of manufacturer non-compliance.
- Tie the per-unit mitigation fee for polluting appliances to the cost of health impacts from the NOx pollution emitted over its lifetime.
- Eliminate the proposed discounted mitigation fee.

These changes will ensure the agency’s success by maximizing the emission reduction rules 1111 and 1121 can offer.

II. The Rule Should Accelerate the Sales Targets of Zero-NOx Units

To develop the right market signals, the rule must require manufacturers to make a greater percentage of zero-NOx units available sooner. The final rule should **accelerate compliance percentage targets to, at the very least, exceed the targets established by California Air Resources Board in the multistate agreement signed last year**,¹ ensuring more zero-emission appliances enter the market, which will help drive down costs.

The rule should skip the initial 70% NOx-emitting sales cap and move directly to a 50% cap for both space and water heating by 2027. In the case of space heating, an RMI analysis indicates that baseline sales of NOx-emitting units in 2027 will already be at 64%², meaning a 70% cap accomplishes nothing. An initial 50% cap is necessary to push the market forward.

Target Dates	2027-2028	2029-2032	2033-2036	2037 and beyond
NOx emitting units (e.g. gas)	50%	25%	10%	0%

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¹ NESCAUM, Nine States Pledge Joint Action to Accelerate Transition to Clean Buildings, (February 2024), <https://www.nescaum.org/documents/2.7.24-nescaum-mou-press-release.pdf>.

² RMI analysis of 2027 sales baseline includes business-as-usual data from the REPEAT Project’s Frozen Policies Benchmark (<https://repeatproject.org/results/comparison=benchmark&state=national&page=1&limit=25>) and internal estimates of Title 24 impacts on zero-emission new construction.

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Zero-emission Units	50%	75%	90%	100%
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Zero-emission models offer more predictable installation costs for water heating systems and are available in 120V configurations, eliminating the need for expensive electrical upgrades. These units can be easily implemented with appropriate regulatory signals, further speeding up the transition. Additionally, the regulation should aim for a target of 100% zero emissions. This would align the regulation with the Governing Board's objective for these Rules. With a proposed 10-year time frame, this is more than enough time for the market to adjust.

III. The Fees in the Rules Must Be Increased To Ensure Zero-Emission Appliance Deployments.

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The proposed amended rules create a whole new regulatory framework for the agency. The following sections outline changes to the fees needed to make that framework is successful.

A) Tier Manufacturer Alternative Compliance Fee to the Degree of Non-Compliance

The latest iteration of proposed amendments to Rules 1111 and 1121 includes a \$500 fee for polluting units sold over the sales target, which increases by \$100 in each subsequent compliance phase.³ Rather than incrementally increasing the non-compliance fee each year, the Final Rule should tier non-compliance fees based on the degree of non-compliance annually. These non-compliance fees should be in addition to the standard NOx-emitting mitigation fee imposed per unit. This will better deter violations, incentivize manufacturers to minimize exceedances, and, where non-compliance is significant, generate more funds to increase the deployment of non-polluting appliances for low-income customers and help meet compliance targets the following year.

Exceedance over target (%)	Fee Per Unit (\$)
1-10%	\$500
11-20%	\$750
21% or over	\$1000

Accordingly, if the sale of polluting appliances should not exceed 50 percent in the first compliance period, the manufacturer would pay a \$500 non-compliance fee for each polluting unit that exceeds that target by up to ten percent. For each additional non-complaint unit that

³ See, Third Preliminary Draft Proposed Amendment Rule 1111 at Section (f)(2), <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1111-and-1121/par-1111-third-preliminary-draft-rule-language.pdf?sfvrsn=10>.

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exceeds the target by between 11 and 20 percent, the fee would increase to \$750 for those units, and to \$1000 for each unit that is more than 20 percent of the sales target.⁴

B) The Final Rules Should Include a Per Unit Mitigation Fee that Accounts for the Health Cost of NOx Emissions Over the Appliance's Lifetime.

While the centering of consumer “choice” in the latest revisions can be a workable framework, the Board should recognize that an individual’s choice to install a polluting appliance results in community harm by locking in a new source of NOx pollution and its corresponding impacts on public health. The Final Rules should ensure that the costs of that choice to harm are properly borne by the customer making that choice. The lifetime health costs from NOx pollution from a new gas water heater are approximately \$950.⁵ The lifetime health costs from NOx pollution from a new residential central furnace are approximately \$3,300.⁶ These costs far exceed the proposed \$50 mitigation fee for gas water heaters and \$100 fee for gas furnaces, failing to account for the true health and environmental damage caused by these appliances. Accordingly, **the Final Rule should be revised to increase the mitigation fees for polluting appliances to \$950 for water heaters and \$3,300 for residential central furnaces.** These adjustments will strengthen the rule’s effectiveness by ensuring that mitigation fees more accurately account for the public health costs associated with NOx pollution.

Notably, on top of failing to capture the cost of health harms, the current proposed \$100 mitigation fee for gas furnaces is only 1% of the estimated \$10,000 capital cost of a new furnace and is eclipsed by rebates offered by the gas industry to continue to purchase polluting appliances.⁷ SoCalGas offers up to \$2,250 rebates for efficient gas models, creating a stronger

⁴ As an example, if the compliance period has a 50 percent zero-NOx sales target and a manufacturer sells 100,000 units, of which 75,000 are NOx-emitting, the manufacturer would be assessed a \$500 fee for each of the first 10,000 units, a \$750 fee for each of the next 10,000 units, and a \$1,000 fee for the remaining 5,000 units.

⁵ This cost was calculated using baseline daily emissions, estimated number of units, and useful life figures from the Preliminary Draft Staff Report and the agency’s health-based screening threshold. The Staff Report identifies 5,128,000 water heating units with baseline emissions of 2.32 TPD, and with water heating units having an average 15-year life. SCAQMD, Preliminary Draft Staff Report for Proposed Amended Rules 1111 and 1121 (“Preliminary Draft Staff Report”) at 2-20; Table 5-1 (Sept. 2024), <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1111-and-1121-par-1111-and-1121-preliminary-draft-staff-report.pdf?sfvrsn=18>. The \$383,000 in health costs per ton of NOx is taken from SCAQMD most recent cost analysis. SCAQMD, Proposed Amended Rule 1111/1121, Public Consultation (Mar. 6, 2025) at Slide 69, <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1111-and-1121-par-1111-and-1121-pc-march-2025.pdf?sfvrsn=10>. With 5,128,000 units in the category, an equipment life of 15 years, and a health-based valuation of \$383,000 per ton of NOx, the lifetime cost of NOx pollution is \$948.68 per unit. $(2.32/5128000*365*15*383,000)=948.68$.

⁶ This cost was calculated using the same formula as in the previous note. The category emits 3.99 tons of NOx per day. With 4,200,000 units in the category, an equipment life of 25 years, and a health-based valuation of \$383,000 per ton of NOx, the lifetime cost of NOx pollution is \$3,320.13 per unit. $(3.99/4200000*365*25*383000)=3320.13$.

⁷ Preliminary Draft Staff Report at 2-18.

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financial incentive to stick with polluting appliances.⁸ The capital cost difference between a gas furnace and a heat pump is \$8,800,⁹ making the proposed fee insufficient to shift consumer behavior. Even assuming an initial \$500 manufacturer fee for sales that exceed zero-emission targets is passed onto customers choosing to purchase a polluting appliance, the mitigation fees from the purchase of polluting appliances is still unlikely to shift purchasing behavior. This is especially true when considering the generous rebates offered by the gas industry.

Similarly, the \$50 mitigation fee for gas water heaters is less than 2% of the estimated \$3,000 capital cost. SoCalGas offers rebates of \$75 to \$1,500 for gas water heaters¹⁰—again, higher than the proposed fee. With a capital cost difference of \$2,200 between gas and heat pump water heaters,¹¹ the mitigation fee is too insignificant to influence purchasing decisions. Even at its lowest offered level, incentives for gas water heaters exceed the mitigation fee proposed for water heaters. These fees, therefore, must be significantly higher.

C) Higher Fees for Polluting Appliances Will Generate Meaningful and Reliable Funding to Ensure Zero-Emission Appliances Are Affordable for Low-Income Customers.

The Preliminary Draft Staff Report estimates 5.35 million furnaces, and 5.128 million water heaters will be impacted by the rule.¹² Annually, about 556,000 space and water heating units are replaced.¹³ Assuming 70% of water heater sales in 2027 are still polluting models, the \$50 per unit fee would generate \$12 million—enough for only 4,000 rebates of \$3,000 each out of 342,000 units sold. Similarly, assuming 70% of furnace sales in 2027 are still polluting models, the \$100 per unit fee would generate \$19 million, funding only 6,300 rebates out of 214,000 units sold.

Moreover, the potential for supplemental incentives from federal programs is far from assured. For example, with the Trump Administration stopping execution of awarded contracts from the Environmental Protection Agency, the California Energy Commission recently announced a hold on dispersing funds from the federal Home Electrification and Appliance Rebates (“HEEHRA”) program.¹⁴ Fees that capture appliance pollution costs both properly put

⁸ According to the Preliminary Draft Staff Report, a typical residential furnace is between 40,000 and 90,000 Btu/hr. *Id.* For a Tier III gas furnace, SoCalGas currently provides a rebate of \$25 per kBtu/hr. <https://www.socalgas.com/sites/default/files/2025-02/SoCalGas-Home-Energy-Efficiency-Rebate-Program-Application-2025.pdf>. A Tier III 90,000 Btu/hr furnace would therefore be eligible for a \$2,250 rebate (90 kBtu/hr * \$25 kBtu/hr).

⁹ Preliminary Draft Staff Report at 2-18.

¹⁰ SoCalGas, 2025 Home Energy Efficiency Rebate Program Application.

¹¹ Preliminary Draft Staff Report at 2-20.

¹² *Id.* at 5-2 (Table 5-1).

¹³ Assuming a 25-year useful life for a furnace and a 15-year useful life for a water heater- translating into 214,000 furnace and 342,000 water heater installations each year.

¹⁴ Tech Clean California, HEEHRA Rebates Paused (Feb. 2025), <https://techcleanca.com/about/news/heehra-rebates-paused/>.

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these costs on manufacturers supplying polluting appliances and generate meaningful and sustained funding to ensure zero-emission appliances are affordable for low-income customers.

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IV. The Proposed Discounted Rate for Over-Compliance Should Be Eliminated

The proposed discounted mitigation rate for manufacturers exceeding zero-NOx requirements in one year should be removed. While intended as an incentive, it risks undermining early gains by encouraging manufacturers to increase production of NOx-emitting appliances later and pay a lower fee. Rather than accelerating progress, this loophole could incentivize backsliding and delay full market transformation.

V. Conclusion

The stakes are too high not to move towards a zero-NOx standard for these sources, and the latest draft is a disappointing compromise that significantly weakens the expected emission reductions. Fortunately, there is still time to course correct by accelerating the compliance timeline, tiering non-compliance fees to levels of non-compliance, raising mitigation fees to reflect actual pollution costs, and eliminating unnecessary and counterproductive discounts in the fee structure. We look forward to working with you to see this rule passed by the Governing Board in May.

Sincerely

Fernando Gaytan, Senior Attorney
 Matt Vespa, Senior Attorney
 Adrian Martinez, Deputy Managing Attorney
Earthjustice

Lauren Weston
 Executive Director
Acterra: Action for a Healthy Planet

Wesley Reutimann
 Deputy Director
Active San Gabriel Valley

Gracyna Mohabir
 Clean Air & Energy Regulatory Advocate
California Environmental Voters

Christopher Chavez
 Deputy Policy Director
Coalition for Clean Air

[Additional Signatories on next page]

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Tony Sirna
Deputy Policy Director
Evergreen Action

Ruth Ann Norton
President and Chief Executive Officer
Green and Healthy Homes Initiative

Kevin Ma
Chair
Green Sanctuary Unitarian Universalist Church of Palo Alto

Charles Miller
Chapter Chair
Los Angeles Climate Reality Project

Andrea Vidaurre
Co-Founder/ Policy Analyst & Advocate
People's Collective for Environmental Justice

Sven Thesen
Co-Founder
Project Green Home

Sean Armstrong
Managing Principal
Redwood Energy

Jack Hanson
Executive Director
Run On Climate

Kimberly Orbe
Senior Conservation Program Manager
Sierra Club Angeles Chapter

Anne Pernick
SAFE Cities Senior Advisor
Stand.earth

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Pete Marsh
CEO
Vector Green Power, LLC

CC: Wayne Nastri, Executive Officer, wnastri@aqmd.gov
Michael Krause, Deputy Executive Officer, mkrause@aqmd.gov
Governing Board, COB@aqmd.gov

Response to Comment Letter #29

Response to Comment 29-1:

The proposed compliance targets and mitigation fees are a balanced approach that addresses emission reduction, consumer choice, and affordability. Staff evaluated various data sources for determining the compliance targets, including current heat pump sales in California (<https://pop.rewiringamerica.org/?id=CA>), zero-NOx emission adoption in current California homes, and data sheet shared by RMI. Heat pump sales in California are not as high as in southern states; however, the sales are increasing. The U.S. Energy Information Administration estimated 20 to 30 percent of furnaces and water heaters in California are zero-emission, primarily heat pump and electric resistance technologies. Another consideration for the proposed sales targets is the new energy efficacy standards by the Department of Energy which will prohibit sales of many electric resistance furnaces and water heaters. The proposed compliance target by phases is a reasonable approach, starting at 30 percent within two years of rule adoption and will ramp up to 90 percent by 2036 for zero-NOx emission unit sales. With mitigation fees for NOx-emitting gas units, manufacturers will be motivated to sell more zero-NOx emission units than the target.

Response to Comment 29-2:

At the Stationary Source Committee meeting on March 21, 2025, staff showed the committee mitigation fees determined by different basis, including commenter suggested health benefit-based cost-effectiveness threshold. The per unit cost to fully mitigate the NOx emissions would be around \$3,000 for PAR 1111 and \$900 for PAR 1121, based on the cost effectiveness screening threshold of \$383,000 per ton of NOx reduced. To increase the cost of a NOx-emitting furnace or water heater equal to the current median cost of a heat pump would be around \$8,000 for PAR 1111 and \$2,500 for PAR 1121. Staff developed the ZEM alternative option due to concerns about the cost of appliances for consumers and therefore did not propose such high fees. The currently proposed \$100 and \$50 per unit under the target is around one percent of the unit costs, making it an affordable fee. The over the target fee will only be paid if the manufacturer exceeds the sales targets and is meant to encourage manufacturers to promote zero-NOx emission technologies. Due to affordability concerns, staff recommends maintaining mitigation fee as proposed with a change suggested by the Stationary Source Committee to reduce the over the sales target fee for PAR 1121. The proposed fees are as follows, with the fees proposed to increase by

the CPI annual percent increase, capped at a three percent increase as explained in chapters 3 and 4:

- Units sold under the sales targets: \$100 for PAR 1111 and \$50 for PAR 1121
- Units sold over the sales targets: \$500 for PAR 1111 and \$250 for PAR 1121.

The proposed mitigation fee will be a sustainable funding source for incentivizing some zero-NOx emission unit installations. Through rule implementation, incentive programs, and increased market adoption, staff expects the cost of zero-NOx emission units to decrease over time.

Response to Comment 29-3:

Staff proposed a discounted fee to further incentive manufacturers to promote their zero-NOx emission appliances. The discounted rate is for a manufacturer that sells zero-NOx emission units above the zero-NOx sales target. The discounted rate and increased mitigation fee on the over the NOx-emitting sales target will hinder the ability of the manufacturers to fully pass those fees onto the customers. Staff does not agree that it will create a loophole that will encourage manufacturers into gaming their year-over-year sales.

COMMENT LETTER #30: CHAD CHANTARACHARAT**Jennifer Vinh**

From: [REDACTED]
Sent: Monday, March 17, 2025 11:39 AM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name: Chad Chantaracharat****Email:** [REDACTED]**Phone:** [REDACTED]**Message:**

Vote No on electric water heater. Cost of energy is already too high. We've been struggling to make ends meet as it is with inflation.

30-1

Response to Comment Letter #30*Response to Comment 30-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on cost, please refer to Response to General Comment 2.

COMMENT LETTER #31: DAVID KRAMER

Jennifer Vinh

From: [REDACTED]
Sent: Monday, March 17, 2025 12:02 AM
To: Jennifer Vinh
Subject: Contact Form

Contact Form

Name: David Kramer

Email: [REDACTED]

Phone: [REDACTED]

Message:

Dear Concerned Fellow Citizens and Monitors Of Our Clean Air- I wish to share my objection and personal opinion on the possibility of no longer being able to access Natural Gas as my family's preferred choice for heating our water and providing heat for our home and at our family business. Without choice for the two primary options that are available to us will, I believe, take out of our hands the responsibility that each and every citizen has for providing essential requirements for our personal needs AND protecting the welfare of or shared environment. Please continue to educate all constituents of our general culture and community as to the advantages and disadvantages that both natural gas and electricity provide for the utility of the public. And then allow the educated citizenry and conscious collective Tywill of the people

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decide on an individual basis what is the best choice between natural gas and electricity for their heating needs. Taking away choice eliminates trust. And without trust we will be without the freedom that truly binds fellow citizens together and allows for greatest possible outcomes pertaining to environmental integrity and strength of our healthy culture. With sincere respect to you and your mission, David Kramer & Family Chino Hills

31-1

Response to Comment Letter #31*Response to Comment 31-1:*

Staff appreciates the comments and agrees that educating consumers on the economic and air quality benefits of different technologies is important. Staff is working to launch the Go Zero incentive program that includes an outreach component to help inform residents of the available incentive program and benefits of transitioning to heat pump technologies.

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on outreach, please refer to Response to General Comment 5.

COMMENT LETTER #32: GARY DUFOUR**Jennifer Vinh**

From: [REDACTED]
Sent: Monday, March 17, 2025 5:36 PM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name: Gary Dufour****Email:** [REDACTED]**Phone:** [REDACTED]**Message:**

I am vehemently opposed to the proposed rule change as it will impose yet another unnecessary burden on hard working California families. Natural gas IS ac clean and very reliable energy. These impositions from unelected officials are the very reason California is struggling. We will not comply.

32-1

Response to Comment Letter #32*Response to Comment 32-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on the need for the amendment of Rules 1111 and 1121, please refer to Response to General Comment 10.

COMMENT LETTER #33: JAMES FLESHER**Jennifer Vinh**

From: [REDACTED]
Sent: Monday, March 17, 2025 3:11 PM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name: James Flesher****Email:** [REDACTED]**Phone:** [REDACTED]**Message:**

I am writing to oppose regulations 1111 and 1121. I do not feel the state should have the authority in forcing me the inability to purchase natural gas appliances. I think this is more regulation by the state as we see more and more residents leave CA because of rules like this.

33-1

Response to Comment Letter #33*Response to Comment 33-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on the need for the amendment of Rules 1111 and 1121, please refer to Response to General Comment 10.

COMMENT LETTER #34: JAMIE ROSS**Jennifer Vinh**

From: Jamie R <[REDACTED]>
Sent: Wednesday, March 12, 2025 8:03 AM
To: Jennifer Vinh
Subject: [EXTERNAL] Opposition to water heater rule

Hello,

I would like to share my opposition to the proposed rule SCAQMD is considering to eliminate natural gas water heaters. This rule would be very costly to Californians. Most of us cannot afford the conversion should our water heater go out.

I know my Orange County board members are opposed to this.

Thank you,

Jamie Ross
Orange County resident

34-1

Response to Comment Letter #34*Response to Comment 34-1:*

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

COMMENT LETTER #35: NORMA BERTAGNA**Jennifer Vinh**

From: [REDACTED]
Sent: Wednesday, March 12, 2025 6:34 AM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name: Norma Bertagna****Email:** [REDACTED]**Phone:** [REDACTED]**Message:**

I oppose these rule even since they have been modified. I am 89 years old, on a fixed income and cannot afford this. I also detest that you feel empowered to spend my money on something that makes an insignificant impact on pollution. This should be completely optional. Vote no!

35-1

Response to Comment Letter #35*Response to Comment 35-1:*

For discussion on cost and affordability, please refer to Response to General Comment 2.

For discussion on the impact of these rules on air quality, please refer to Response to General Comment 10.

COMMENT LETTER #36: CITY OF CANYON LAKE**RESOLUTION NO. 2025-10****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, OPPOSING THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT'S PROPOSED AMENDED RULES 1111 AND 1121**

36-1

WHEREAS, the South Coast Air Quality Management District (SCAQMD) has proposed amendments to Rules 1111 and 1121 to require a transition to zero-emission residential furnaces and water heaters in an effort to reduce nitrogen oxide (NOx) emissions; and

WHEREAS, the City recognizes the importance of improving air quality and reducing emissions to meet state and federal environmental goals; and

WHEREAS, the proposed amendments would place significant financial burdens on homeowners, businesses, and local governments due to the high costs of new appliances, infrastructure upgrades, and installation requirements; and

WHEREAS, there are concerns regarding the technological readiness of zero-emission heating appliances, particularly in existing housing stock where retrofitting may be costly or infeasible; and

WHEREAS, the proposed implementation timeline may not allow sufficient time for communities, manufacturers, and contractors to transition effectively, potentially leading to supply chain challenges and increased costs; and

WHEREAS, several cities, councils of governments, and industry stakeholders have expressed opposition to the proposed amendments due to their economic and logistical challenges; and

WHEREAS, the City supports a more measured approach that balances air quality improvements with economic feasibility, technological advancements, and equitable implementation strategies.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:

- Section 1.** The above recitals are true and correct and are incorporated herein by reference.
- Section 2.** The City Council hereby opposes SCAQMD's Proposed Amended Rules 1111 and 1121 in their current form and urges SCAQMD to consider alternative approaches that minimize negative impacts on local governments, businesses, and residents.
- Section 3.** That the City Clerk shall certify the adoption of this Resolution and that the same shall be in full force and effect.


Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 12th day of March 2025.



Mark Terry, Mayor

ATTEST:



Sheryl L. Garcia, MMC, CPM
City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) SS
CITY OF CANYON LAKE)

I, Sheryl L. Garcia, City Clerk of the City of Canyon Lake, California, do hereby certify, that the foregoing is a true and correct copy of Resolution No. 2025-10, adopted by the City Council at a meeting held on March 12, 2025, by the following vote:

AYES: Castillo, Smith, Steeber, Welty, Terry
NOES: None
ABSTAIN: None
ABSENT: None



Sheryl L. Garcia, MMC, CPM
City Clerk

Response to Comment Letter #36

Response to Comment 36-1:

The new rule concept for PAR 1111 and PAR 1121 released on February 7, 2025, which includes zero-NOx emission sales targets for manufacturers, will allow for both zero-NOx emission units and NOx-emitting natural gas-fired units to be sold and installed for use.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on technology readiness, please refer to Response to General Comment 4.

For discussion on outreach, please refer to Response to General Comment 5.

Additionally, staff has met with furnace and water heating manufacturers to discuss the new rule concept to incorporate feedback from manufacturers and to understand how the proposed amended rules may affect the supply chain and consumers. Manufacturers have zero-NOx emission appliances available today and were confident they could supply the market even based on the original rule concept with future effective zero-NOx emission mandates. They have not expressed any concerns meeting the market demand based on the revised rule concept that includes a slower transition to zero-NOx emission appliances.

COMMENT LETTER #37: CLEAN POWER ALLIANCE

March 18, 2025

South Coast Air Quality Management District
Planning, Rule Development, and Implementation
21865 Copley Dr.
Diamond Bar, CA 91765

Re: Clean Power Alliance Comments on SCAQMD Third Preliminary PARs 1111 and 1121

37-1

Clean Power Alliance of Southern California ("CPA") appreciates the opportunity to provide comments on South Coast Air Quality Management District's ("SCAQMD") Third Preliminary Proposed Amended Rules 1111 and 1121 ("PARs"). CPA also appreciates SCAQMD staff's efforts to broaden their public engagement since CPA's submittal of its October 2024 comments. CPA remains supportive of the PARs' approach to reduce nitrogen oxide ("NOx") emissions from natural gas-fired furnaces and water heaters and urges the Board to adopt the PARs. CPA also continues to commend SCAQMD's development of the Go-Zero Rebate Program ("Rebate Program") and its preserved launch timeline despite a delay in the PARs' implementation deadlines. Launching the Go-Zero Rebate Program as initially planned will help customers and the market prepare for and adapt to the PARs.

Background

CPA is California's largest community choice aggregator ("CCA"), serving over three million residents and one million customers across 35 communities in Los Angeles and Ventura counties. CPA is governed by a Board of locally elected officials who represent and serve our communities. CPA has been ranked the number one green power provider in the United States by the National Renewable Energy Laboratory ("NREL") for two years in a row.¹

CPA helps our customers and communities enhance resilience, conserve energy, reduce harmful greenhouse gas emissions, and save money on their electric bills. We seek to recognize and address the importance of healthy communities, including those disproportionately affected by air pollution and climate change. CPA advances the efforts noted above, in part, through our customer programs. CPA offers programs that provide incentives and benefits for low-income customers and disadvantaged communities that mitigate energy affordability challenges while advancing clean energy solutions.

¹ NREL 2023 Utility Green Power Rankings, 2024, at pp. 3 and 6. Found here:
<https://www.nrel.gov/analysis/assets/pdfs/green-pricing-top-10-2022-data-plus-archives-28aug2024.pdf>

801 S. Grand Ave., Suite 400, Los Angeles, CA 90017
[cleanpoweralliance.org](https://www.cleanpoweralliance.org)

The PARs and Go-Zero Rebate Program will help equitably improve the air quality, reduce emissions, and mitigate costs associated with the clean energy transition for CPA's customers and the communities we serve.

CPA Supports SCAQMD's Approach in the Third Preliminary PARs 1111 and 1121, the PARs Should be Adopted

CPA understands the potential long-term health, climate, and cost benefits associated with expanding use of zero-emission appliances and electrification in general. The potential benefits of zero-emission appliance standards are magnified in CPA's service territory considering CPA is recognized as the leading green power provider among all utilities in the country.

CPA continues to recommend SCAQMD adopt the PARs.

SCAQMD has Expanded its Education, Engagement, and Outreach Strategies and Practices Since October 2024

In its October 2024 comment letter, CPA recommended SCAQMD expand its current public outreach efforts to a broader stakeholder base before the SCAQMD Board votes to adopt the PARs. Since October, SCAQMD staff have hosted and engaged the public in at least six public meetings or consultations resulting in numerous verbal and email comments and 87 written comments submitted thus far. CPA acknowledges SCAQMD staff have expanded upon their outreach to better seek, receive, and incorporate input throughout the ongoing development of the PARs.

SCAQMD Should Continue its Expanded Education, Engagement, and Outreach Efforts Following the Adoption of the PARs

Assuming the SCAQMD Board adopts the PARs, CPA then recommends SCAQMD continue to identify and engage community partners to develop and execute a thorough education, engagement, and outreach strategy through the compliance deadlines (including the alternative compliance option deadlines of 2036) to improve public awareness of the standards and Go-Zero Rebate Program. CPA suggests SCAQMD continue to collaborate with members of its Environmental Justice Advisory Group and expand those efforts to members of similar groups and committees, such as the California Air Resources Board Environmental Justice Advisory Committee² and the Disadvantaged Communities Advisory Group³ advising California Public Utilities Commission and California Energy Commission actions.

CPA also continues to suggest SCAQMD incorporate efforts to collaborate with local governments, utilities, and local permitting agencies to improve and expedite the implementation of the PARs. The PARs will affect millions of customers across SCAQMD's jurisdiction and SCAQMD's engagement of and coordination with the impacted public should reflect the scope of the PARs' impacts following the adoption of the PARs.

² <https://ww2.arb.ca.gov/environmental-justice-advisory-committee>

³ <https://www.energy.ca.gov/about/campaigns/equity-and-diversity/disadvantaged-communities-advisory-group-dacag>

37-1

CPA Continues to Support the Rebate Program

CPA supports the Rebate Program and commends SCAQMD staff for retaining its launch date despite delaying the implementation dates for PARs 1111 and 1121. CPA understands there are challenges with electrification that must be addressed to achieve emissions reduction. Cost impacts associated with electrification, including upfront and capital costs, especially to low-income customers, are of particular concern to CPA. Maintaining the timely launch of the Rebate Program will help advance compliance with the PARs while reducing costs for Rebate Program participants considering SCAQMD already has funding available for the Rebate Program prior to collecting non-compliance fees.⁴ Once fees associated with alternative compliance or non-compliance are collected, SCAQMD's Rebate Program will appropriately direct fees collected for non-compliance with the PARs and reinvest those funds in compliant appliance incentives.

Conclusion

CPA appreciates SCAQMD staff's hard work on the PARs and looks forward to continuing to collaborate with staff throughout the remaining development and hopeful implementation processes.

If you have any questions, please contact C.C. Song at [REDACTED] and Clark McIsaac at [REDACTED].

Sincerely,

C.C. Song
Senior Director of Regulatory Affairs
Clean Power Alliance of Southern California

⁴ SCAQMD Presentation: Proposed Amended Rule 1111 – Reduction Of NOx Emissions From Natural Gas-Fired Furnaces (PAR 1111), Proposed Amended Rule 1121 – Reduction of NOx Emissions From Residential-Type, Natural Gas-Fired Water Heaters (PAR 1121); March 6, 2025; at slide 17.

Response to Comment Letter #37*Response to Comment 37-1:*

Staff appreciates the support for the proposed amended rules and Go Zero incentive program. Staff is in frequent contact with the California Air Resources Board, Bay Area Air District, other air quality agencies, local governments, and community groups to gain insight on methods to conduct outreach. Staff will continue to perform outreach after rule adoption, which will be supplemented by outreach conducted through the Go Zero incentive program. For more information regarding outreach, please refer to Response to General Comment 5.

COMMENT LETTER #38: MIKE SELNA**Jennifer Vinh**

From: Mike Selna <[REDACTED]>
Sent: Wednesday, March 19, 2025 10:55 AM
To: Jennifer Vinh
Subject: [EXTERNAL] Support for Amended Rules 1111 and 1121

38-1

I am writing in support of the proposed amendments to Rules 1111 and 1121. I applaud AQMD's work to reduce NOx emissions, thereby reducing new asthma cases, hospital visits and premature deaths. Our air quality has vastly improved because of your historic efforts, but we still have some of the worst air quality in the nation.

We need to reduce NOx emissions by 67% by 2037 in order to avoid Federal sanctions for violation of the Clean Air Act. Those Federal sanctions could include loss of highway funding, a cost opponents ignore. These amendments will help meet the standards.

Many of the arguments in opposition to these amendments are economic hardship issues. I believe the economic impacts of NOT approving the amendments are more significant and far reaching. These amendments not only reduce NOx emissions but also greenhouse gas emissions. The economic impacts of climate change in the form of health maintenance costs, disaster recovery costs, and increased insurance premiums will far outweigh the short-term costs of electrification of residential heating. Owning a home will become even less attainable as insurance costs skyrocket. These economic impacts are not considered by the cities and individuals opposed to these rules.

AQMD has gone a long way to accommodate those who do not wish to comply with these necessary changes in how we heat our homes by allowing natural gas furnaces to be installed when mitigation fees are paid. In some respects, this goes too far and negates some of the benefits of these rules.

In the long run, these rules will save money and reduce emissions that impact our environment and our health.

Thank you for your efforts in providing better living conditions in our region.

Michael Selna, Huntington Beach

Response to Comment Letter #38

Response to Comment 38-1:

Staff appreciates the support.

COMMENT LETTER #39: KENNETH ORTIZ

Jennifer Vinh

From: [REDACTED]
Sent: Wednesday, March 19, 2025 6:53 AM
To: Jennifer Vinh
Subject: Contact Form

Contact Form

Name: KENNETH ORTIZ

Email: [REDACTED]

Phone: [REDACTED]

Message:

I am voicing my opposition to PAR 1111 and 1112, natural gas is clean burning.

39-1
|

Response to Comment Letter #39

Response to Comment 39-1:

For discussion on the need for rule amendments, please refer to Response to General Comment 10.

COMMENT LETTER #40: LISA BACA**Jennifer Vinh**

From: [REDACTED]
Sent: Tuesday, March 18, 2025 10:11 PM
To: Jennifer Vinh
Subject: Contact Form

Contact Form**Name:** Lisa Baca**Email:** [REDACTED]**Phone:** [REDACTED]**Message:**

40-1

As the Executive Director of the CA Latino Leadership Institute, I work in the underserved immigrant community of Southeast Los Angeles, (SELA). The South Coast Air Quality Management District is seeking comments on the proposed rules 1111 and 1121 that would eventually ban the use of natural gas for heating our homes or heating our water. This new policy is not good for low income communities like SELA. Why I believe it isn't sound policy to implement Rule 1111 and Rule 1121: 1. Natural gas is a lot less expensive than electricity to heat our homes and to heat water. Underserved immigrant communities struggle in this economy to put food on the table and the cost for electric conversion is in the thousands of dollars. 2. The cost for electricity has increased and the demand for electricity in the SELA summer months, which has

40-1

a tree canopy for shade and cooling is less than 20%, will also increase for cooling homes, taking showers and cooking. This will also puts a stronger demand on the current overburdened summer electric grid and family budgets. 3. If you are rich, there is no problem converting from gas, but if you are poor or elderly on a fixed income, it is prohibitive to transition and then maintain the cost long term for cooking and hot water. I LOVE Natural gas; it is affordable, convenient, Like the families I would with in SELA, I am able to cook and heat my water living on a fixed income. Please do not make this change from natural gas water heaters. Thank you.

Response to Comment Letter #40

Response to Comment 40-1:

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost and affordability, please refer to Response to General Comment 2.

For discussion on electricity demand and grid sustainability, please refer to Response to General Comment 3.

COMMENT LETTER #41: MARY ANN RAILEY

Jennifer Vinh

From: [REDACTED]
Sent: Wednesday, March 19, 2025 6:47 AM
To: Jennifer Vinh
Subject: Contact Form

Contact Form

Name: Mary Ann Railey

Email: [REDACTED]

Phone: [REDACTED]

Message:
I oppose not having the freedom of choice!

41-1
|

Response to Comment Letter #41

Response to Comment 41-1:

For discussion on consumer choice, please refer to Response to General Comment 1.

COMMENT LETTER #42: RINNAI AMERICA CORPORATION

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,

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

Rinnai notes that its current product offerings do not fall within the scope of PAR 1111 and PAR 1121, but as an industry stakeholder and manufacturer of water and space heating products, Rinnai has concerns regarding the structure and implementation of the rules and their implications for manufacturers, consumers, regulatory consistency, and compliance with law.

Regulatory Disparities

Rinnai is concerned that PAR 1121 creates an uneven regulatory framework that disadvantages tankless water heaters in comparison to tank-type water heaters in the Southern California market. Specifically, the proposed amendments include a shift in the deadline for new building compliance from January 1, 2026 to January 1, 2027 for tank water heaters, as well as a phased-in alternative compliance option, providing manufacturers and distributors of these products with additional time and flexibility to adjust to new regulatory requirements. On the other hand, the zero-NO_x deadline for Rule 1146.2 remains unchanged, with no phase-in alternative, for tankless gas water heaters as well as boilers and process heaters. Consequently, we are disadvantaged in the Southern California market since our products will be eliminated from the marketplace after January 1, 2026 while products covered by existing Rule 1121 will still be available for installation. These proposed amendments create an unbalanced regulatory landscape that the District needs to reconsider.

42-1

Practical Implications

While a phased-in transition is preferable to an immediate and impractical ban, the current proposal remains problematic for the industry. Even with the alternative compliance pathway, the revised rule still presents substantial logistical and financial burdens for manufacturers, distributors, and consumers. The requirement to retool manufacturing processes, adjust supply chains, and meet phased-in sales

42-2

Rinnai America Corporation | 103 International Drive, Peachtree City, GA 30269 | 800-621-9419

Rinnai Comments on Proposed Amended Rule 1121 and 1111
March 20, 2025
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targets will impose compliance burdens (including reporting and labeling mandates) and high costs that will ultimately be passed on to consumers, either partially or in total. The need to modify manufacturing, sales and distribution is exacerbated by ongoing supply chain challenges, manufacturing and distribution infrastructure limitations, and the lack of technical feasibility.

PARS 1111 and 1121 also fail to account for concerns regarding consumer choice, product availability, and market feasibility. The rule drastically reduces consumer choice, particularly in existing buildings where electric alternatives may be impractical due to inadequate electrical infrastructure, increased installation costs, or space constraints. By accelerating a transition to technologies that are not yet viable in all applications, the rules will force consumers into higher-cost and less practical options that could require expensive retrofits.

Additionally, Rinnai has concerns about the rule's cost-effectiveness. Rinnai encourages the District to conduct a comprehensive third-party cost-benefit analysis of the transition from low NOx to zero NOx emissions. A full life-cycle emissions assessment is necessary, as net benefits may be minimal or even negative when considering factors such as emissions from electricity generation, distribution losses, improper installation, cold temperatures, and installation challenges in tight spaces. And on the other hand, the costs imposed on consumers and businesses will be significant, including not only product costs but installation costs that may include electrical upgrades, space reconfiguration, venting modifications, and condensate management.

Furthermore, in light of recent challenges—including tragic and devastating wildfires, rising inflation, and trade tariffs—the District should be especially mindful of the financial burden on constituents. As communities work to recover and rebuild, it is critical to ensure that new regulations do not inadvertently impede much-needed housing and infrastructure development. Instead, the District should prioritize policies that facilitate rapid and cost-effective construction while balancing environmental and public health goals.

EPCA Preemption

42-3

Despite SCAQMD's efforts to adjust its regulatory approach, Rinnai 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.

Conclusion and Recommendation

While Rinnai is in some sense neutral because it does not produce these products, it remains concerned that the District's modified approach is still unlawful under EPCA, imposes significant and unwarranted burdens and financial penalties (taxes) on manufacturers, and harms consumer choice and affordability.

We appreciate the District's efforts to develop an alternative approach to Rule 1146.2's zero-NOx rule, which is preempted, for PARS 1111 and 1121. However, the underlying issues regarding legality,

Rinnai America Corporation | 103 International Drive, Peachtree City, GA 30269 | 800-621-9419

Rinnai Comments on Proposed Amended Rule 1121 and 1111
March 20, 2025
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regulatory fairness, compliance feasibility, and consumer impacts need to be resolved before any alternative approach is adopted.

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

Sincerely,



Marc D. Neufcourt
Director, Regulatory and Government Affairs

Cc: Perry McGuire, Rinnai America Corp., Vice President and General Counsel
Renee Eddy, Rinnai America Corp., Chief Innovation Officer
Sarah Jorgensen, Reichman Jorgensen Lehman & Feldberg

Response to Comment Letter #42

Response to Comment 42-1:

Staff will conduct a technology check-in for Rule 1146.2 and provide an update to the Stationary Source Committee prior to June 2027.

The compliance targets by the proposed ZEM alternative compliance option are not hard targets. Manufacturers may decide the number of sales of NOx-emitting gas units and pay more fees if they sell NOx emitting units above the targets. Both rules had mitigation fee alternative compliance options previously. PAR 1111 and PAR 1121 manufacturers worked with the supply chain to reconcile their sales to the region for the report and mitigation fee. The proposed ZEM alternative compliance option provides flexibility for the implementation and addresses the concern for consumer choice and costs.

For discussion on consumer choice, please refer to Response to General Comment 1.

Response to Comment 42-2:

For discussion on cost, please refer to Response to General Comment 2.

For discussion on cost-effectiveness, please refer to Response to General Comment 6. The project costs used in the calculation are real-world installation costs including needed electrical upgrade costs as explained in Chapter 2.

Response to Comment 42-3:

For discussion on EPCA, please refer to Response to General Comment 9.

COMMENT LETTER #43: AIR-CONDITIONING, HEATING, AND REFRIGERATION INSTITUTE (AHRI)



2311 Wilson Boulevard Suite 400 Arlington VA 22201 USA
 Phone 703 524 8800 | Fax 703 562 1942
 www.ahrinet.org

March 20, 2025

Ms. Heather Farr
 Planning, Rule Development, and Implementation
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765

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

(Submitted electronically via jvinh@aqmd.gov and HFarr@aqmd.gov)

RE: AHRI Comments in Response – South Coast Air Quality Management District (SCAQMD) Proposed Amended Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired Furnaces (PAR 1111) and Proposed Amended Rule 1121 – Reduction of NOx Emissions from Small Natural-Gas-Fired Water Heaters (PAR 1121)

Dear Ms. Farr and Ms. Vinh:

The Air-Conditioning, Heating, and Refrigeration Institute (AHRI) respectfully submits this letter in response to the third preliminary drafts of Proposed Amended Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired Furnaces (PAR 1111) and Proposed Amended Rule 1121 – Reduction of NOx Emissions from Small Natural-Gas-Fired Water Heaters (PAR 1121) from South Coast Air Quality Management District (SCAQMD or District).

AHRI represents more than 330 manufacturers of heating, ventilation, air conditioning, and refrigeration (HVACR), and water heating equipment. It is an internationally recognized advocate for the HVACR industry and certifies the performance of many of the products manufactured by its members. In North America, the annual economic activity resulting from the HVACR industry is more than \$211 billion. In the United States alone, AHRI member companies, along with distributors, contractors, and technicians employ more than 700,000 people.

AHRI and its members are committed to, and support, greenhouse gas (GHG) emission reductions, while promoting sustainable, safe, reliable, and affordable access to the essential air-conditioning and water heating provided by the products they manufacture.

I. Comments to PAR 1111 and PAR 1121

A. Mitigation Fee Structure

AHRI appreciates the District offering alternative paths for compliance and allowing for consumer choice. However, Table 3, *Zero-Emission Manufacturer (ZEM) Alternative Compliance Option Targets and Mitigation Fee Schedule*, of both PAR 1111 and 1121 introduce burdensome fees to manufacturers, who have no recourse against if consumers chose ultra-low NOx products. Rather

43-1

AHRI Comments – SCAQMD PAR 1111 and PAR 1121
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than the proposed fee schedule, AHRI recommends replacing the current fee structure with a flat fee for each phase of compliance or an escalating annual flat fee over several years rather than over targeted percentages.

Additionally, AHRI requests clarification on how the mitigation fees in Table 3 of PAR 1121 were calculated and how they will be implemented. AHRI's members are concerned that if implemented, the mitigation fees will reduce the affordability of existing ultra-low NOx products in the District.

B. Annual Reporting Requirements and Record Keeping

Both PAR 1111 and PAR 1121 require manufacturers to maintain records of the model number and serial number of each zero-NOx unit, furnace, and water heater sold; the number of units sold; and the contact information of the distributor for at least five years and produce the information upon request. AHRI and its members are concerned about the amount of proprietary information required to be held by manufacturers, specifically serial numbers. In the past, manufacturers have provided shipment data by zip code rather than serial numbers.

AHRI emphasizes that the data that District staff is requiring to be provided is proprietary information of product manufacturers. AHRI strongly urges District staff to add language clarifying that the District will treat such data as Confidential Business Information and will not share the data with third party entities. Such language would provide assurances to manufacturers that the confidential business information they are being compelled to disclose, specific to their organization, will not be accessible to parties other than the District.

C. Product Labeling

AHRI does not support the requirement for a label on furnaces and water heaters to enforce PAR 1111 and PAR 1121. Manufacturers do not have a way to know where the equipment will ultimately be installed, as our members work through distributors and wholesalers, labeling specific to a state air district is impractical and overly burdensome. SCAQMD maintains a database¹ of equipment with NOx levels and an inspection agency therefore could look up equipment compliance.

AHRI requests clarification on whether the labeling requirements are applicable to all products following the January 2029 effective date.

II. Comments specific to third preliminary draft of Proposed Amended Rule 1111 – Reduction of NOx Emissions from Natural Gas-Fired Furnaces (PAR 1111)

A. Furnace Size

AHRI supports the District retaining the less than 175,000 British thermal units (Btu)/ hour scope for furnaces.

B. Acceptable Alternatives

AHRI members are concerned that allowing electric furnaces as an acceptable zero-emission product to replace a furnace could lead to increasing the winter demand on the electric grid and result in large electric bills for customers that would not see those utility costs if using a gas furnace. This could be a substantial issue for low- and moderate-income families. While the District's focus is on air quality, California Energy Commission (CEC) Title 24, Building Standards Code, only allows

¹ <http://www.aqmd.gov/home/programs/business/business-detail?title=certified-equipment>

AHRI Comments – SCAQMD PAR 1111 and PAR 1121
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electric resistance heating in a few exceptions. AHRI recommends that this should not be listed as an acceptable alternative, except as allowed by Title 24.

C. Verification Procedures

AHRI members also note there are currently 1,666,000+ matched Air Source Heat Pump (ASHP) sets listed on the AHRI Directory of Certified Product Performance². It would be largely burdensome for manufacturers to list both the ASHP indoor/outdoor matched models and there must be a less obtrusive path to allow for verification.

III. Comments specific to third preliminary draft of Proposed Amended Rule 1121 – Reduction of NOx Emissions from Small Natural-Gas-Fired Water Heaters (PAR 1121)

A. Zero-Emission Limits Compliance Path and Compliance Schedule

For the zero-emissions compliance path in PAR 1121, AHRI supports removing NOx requirements for existing mobile homes, and recommends maintaining Table 2, *Zero-Emissions Limits and Compliance Schedule*. Additionally, AHRI supports the modification of the proposed compliance dates and notes that the dates should not be sooner than proposed in this third draft.

IV. Conclusion

AHRI appreciates the opportunity to submit these comments and welcomes the opportunity for further discussion. If you have any questions regarding this submission, please do not hesitate to contact me.

Sincerely,



Nicole Colantonio
Director, Regulatory Affairs
Direct: (703) 600-0332
Email: ncolantonio@ahrinet.org

² AHRI Directory of Certified Product Performance. <https://ahridirectory.org/>

43-1

Response to Comment Letter #43*Response to Comment 43-1:*

Manufacturers have the option to comply with PAR 1111 and PAR 1121 by the ZEM alternative compliance option or compliance schedule for new and existing buildings according to rule paragraph (d)(2). The proposed ZEM alternative compliance option, in lieu of paragraph (d)(2), intends to provide flexibility for the implementation and addresses the concern for consumer choice and costs. The compliance targets by the proposed ZEM alternative compliance option are not hard targets. If consumer demand results in higher sales of NO_x-emitting gas units, the manufacturer may supply those units; however, the higher fee will apply. The under the target mitigation fee is proposed as a flat fee; however, the over the target sales is meant to deter the sales of NO_x-emitting units.

The mitigation fees were intended to encourage the purchase of zero-NO_x emitting units and fund the Go Zero incentive fee. Staff could have proposed much higher mitigation fees, please see the discussion in Response to Comment 29-2.

Both rules had mitigation fee alternative compliance options previously. PAR 1111 and PAR 1121 manufacturers worked with the supply chain to reconcile their sales to the region for the report and mitigation fee. Staff have met with each manufacturer for clarification of the rule language and future implementation and are available for any question from the manufacturers.

Please refer to Response to Comment PC-3 and Response to Comment PC-6 for discussion on sales targets and mitigation fees.

Please refer to Response to Appendix B 45-2 for a discussion on confidential information.

As mentioned earlier, mitigation fee alternative compliance options were implemented previously, and model and serial numbers were included in the report. However, to address stakeholders' concern, PAR 1111 and PAR 1121 will not require reporting unit serial numbers as previously proposed.

Manufacturers using the ZEM alternative compliance option are not subject to any labeling requirement. Instead, they comply with the informative material requirement, which is displaying specified language on consumer brochures, technical specification sheets, and the manufacturer's website. The labeling requirement for new and existing buildings is applicable until January 1, 2029, if manufacturers decide not to use the ZEM alternative compliance option and directly comply with rule paragraph (d)(2).

Any zero-NO_x emission unit allowed by PAR 1111 should also comply with other applicable rules and regulations. Staff understands that Title 24 restricts the installation of electric resistance furnaces but they are not completely prohibited. For the cost-effective analysis for PARs 1111 and 1121, staff primarily relied on the costs for heat pumps, which are the primary zero-NO_x emission technology considered. South Coast AQMD rules are technology neutral, any unit that meets the zero-NO_x emission standard would comply with PARs 1111 and 1121.

Manufacturer reported information under ZEM alternative compliance option provides essential information for their specific sales, this information is not intended for the AHRI certification verification. Staff did agree to reduce the reporting burden by removing the

serial number reporting and only requiring reporting for outdoor units for heat pumps that have an indoor and outdoor component.

Staff appreciates AHRI's support on the modifications of PAR 1121 for the third preliminary draft.

COMMENT LETTER #44: RHEEM MANUFACTURING COMPANY

March 20, 2025

Via Email: pcampbell@aqmd.gov, jvinh@aqmd.gov

Mr. Peter Campbell
Ms. Jennifer Vinh
Planning, Rule Development, and Implementation
South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765

RE: Proposed Amended Rule 1111 Reduction of NOx Emissions From Natural Gas-Fired Furnaces Proposed and Amended Rule 1121 – Reduction of NOx Emissions From Small Natural Gas-Fired Water Heaters

Dear Mr. Campbell and Ms. Vinh,

Rheem Manufacturing Company (Rheem) appreciates the opportunity to submit the following comments in response to the South Coast Air Quality Management District's (SCAQMD) Third Preliminary Draft Proposed Amended Rule 1111 Reduction of NOx Emissions from Natural Gas-Fired Furnaces and Third Preliminary Draft Proposed Amended Rule 1121 – Reduction of NOx Emissions from Small Natural Gas-Fired Water Heaters.

Rheem is an industry leader in total heating, cooling, refrigeration and water heating solutions and one of the few global brands with product offerings covering residential and commercial heating, cooling, conventional and hybrid storage water heaters (HPWH), tankless water heaters, solar water heating systems, pool and spa heaters, commercial boilers, residential hydronic and geothermal systems, commercial refrigeration products, indoor air quality accessories, and replacement parts for all categories. Rheem is headquartered in Atlanta, Georgia, and has U.S. based manufacturing facilities in Alabama, Arkansas, California, Connecticut, and North Carolina. The company also operates distribution facilities throughout the US, Canada, and many other countries around the world. Rheem manufactures commercial boilers and pool heating equipment at the Raypak facility in Oxnard, CA, which are affected by SCAQMD rules.

Rheem appreciates SCAQMD staff's efforts to update the Rules 1111 and 1121 and specifically to include and consider stakeholder input. Rheem supports the intention to provide consumers, plumbers, and contractors with fuel and equipment choice; recognizing complications with emergency replacements, electrical panel upgrades, added air-flow provisions, and higher equipment and installations costs. However, Rheem would like to express and reiterate our concerns regarding the definitions, the compliance date basis, the inappropriately applied mitigation fee, and the burdensome new labeling and reporting requirements. Rheem also



RHEEM MANUFACTURING COMPANY • 1100 ABERNATHY STE. 1400 • ATLANTA, GA 30328 • RHE



offers specific improvements and recommendations including a more straightforward mitigation fee approach.

Definitions

Rheem notes that the definition of “NEW BUILDING” in the second preliminary drafts of Rules 1111 and 1121 had “or any subsequent version of the Building Code.” This statement was removed from the NEW BUILDING definition in Rule 1121 but not Rule 1111. Rheem recommends it be added to the definition in Rule 1121.

The newly proposed “ZERO-NOx EMISSION UNIT” definitions include “heating capacity equivalent to [Furnaces or Water Heaters] subjected to this rule.” While Rheem understands the intent of the definitions is to apply to units that are a direct replacement for a natural gas-fired unit, the use of “heating capacity” and “equivalent” are troublesome. Heating capacity is typically just input rate multiplied by steady-state efficiency. For water heaters, a typical gas-fired storage water heater can be replaced with an electric resistance or heat pump storage water heater, which both have significantly less “heating capacity” than a gas-fired storage water heater;¹ or an electric instantaneous water heater, which typically has a much higher “heating capacity” than a gas-fired storage water heater.² Zero-NOx storage water heaters can replace a gas-fired storage water heaters but have a longer recovery times due to the lower heating capacity. Zero-NOx instantaneous water heaters heat water as it flows through the unit, so require a much larger heating capacity as the time to heat is so short. As neither zero-NOx water heater solution has an equivalent heating capacity to the gas-fired storage water heaters covered by Rule 1121, Rheem requests SCAQMD clarify what technologies and ranges within a technology would constitute a “ZERO-NOx EMISSION UNIT.” Rheem notes that if SCAQMD adjusts the mitigation fee approach as described elsewhere in these comments, then the reporting of ZERO-NOx EMISSION UNIT data may not be necessary.

Regarding scope of covered furnaces, Rheem supports SCAQMD retaining the less than 175,000 British thermal units (Btu)/ hour scope for furnaces and not increasing to include larger commercial furnaces at this time.

Requirements

Rheem supports aligning the existing building water heater compliance date with the gas-fired instantaneous compliance date from Rule 1146.2 of January 1, 2029.

¹ Rheem estimates that the range of heating capacities for gas-fired storage water heaters to be between 20-60 kBtu/h (32 kBtu/h average), electric resistance storage water heaters to be between 10-40 kBtu/h (16 kBtu/h average), 120V heat pump water heaters to be between 5-17 kBtu/h (9 kBtu/h average), and 240V heat pump water heaters to be between 10-38 kBtu/h (21 kBtu/h average). Heating capacity for heat pump water heaters includes heating from the heat pump and electric resistance elements.

² Rheem estimates that the range of heating capacities for electric instantaneous water heaters that can replace a gas-fired storage water heater (i.e., residential-duty commercial electric instantaneous water heaters) to be between 36-120 kBtu/h (72 kBtu/h average).

44-1

44-2





Rheem recommends that the new building compliance date be based on the permit application date rather than the construction or alteration completion date. Buildings permitted now may not complete construction by January 1, 2027. Rheem expects construction to be slowed somewhat due to the number of homes that will need to be rebuilt following the recent wildfire damage. Rheem recommends amending exemption (h)(2)(C) from Rule 1111 and exemption (h)(C) from Rule 1121 from “Date of Adoption” to “January 1, 2027.”

44-2

Alternative Compliance Options

44-3

Rheem appreciates SCAQMD providing a compliance pathway that allows for consumer choice. However, Rheem has strong concerns regarding mitigation fee application, structure, and potential effectiveness.

As proposed, the mitigation fee is misapplied. Any fee imposed on the manufacturer, rather than the installer, has a diluted (if any) effect on the adoption of zero-NOx technology. Manufacturers make a variety of models available to the market and fulfill the demand as it is called for by the channel, which is comprised of distributors, wholesalers, dealers, contractors, and installers. A fee imposed per unit sold by the manufacturer does little to alter market demand and has little bearing on the volume of equipment manufacturers supply to fulfill the channel requests. Rheem requests SCAQMD reconsider applying the mitigation fee at the point of sale. This would ensure that furnaces and water heaters sold within the air district are accounted for and that the fee can be directly associated with the choice of product. Further, Rheem recommends working with the local gas utilities to cover the cost of the mitigation fees.

The escalation structure of the mitigation fee is also highly problematic. A critical aspect of any fee or incentive—at all parts of the market channel—is certainty and predictability. Any variable that stands to affect the market value of new equipment must be known in advance. As proposed, the mitigation fee is applied to the manufacturer at the end of year and possesses an uncertainty of between \$50 and \$500 per unit. Yet the manufacturer must predict this when offering at the first step in the distribution channel, in a way that accurately factors any applicable fees, including any other fees that may be assessed from Rule 306. Further, it should be understood that these fees are passed through the distribution channels and get compounded with each step ultimately impacting the consumer cost. Rheem does not support the proposed mitigation fee escalation if the sales targets are not met. Manufacturers cannot fully predict or force demand, so all mitigation fees are expected to be passed through to the consumer. A more straightforward approach would be to keep the mitigation fee constant for a given period and adjust it every few years to align with the gas-fired phasedown that is desired by SCAQMD. Rheem understands that the SCAQMD already has an accurate estimate of the number of water heaters and furnaces installed in their jurisdiction. SCAQMD can estimate the number of replacements each year as this shouldn’t change dramatically year over year. Based on mitigation fees collected, program effectiveness can be gauged, and mitigation fee changes can be assessed. Moving to a single fee removes the need for a manufacturer to submit





confidential business information, which may inappropriately be used outside of determining compliance with Rules 1111 and 1121. When based on manufacturer reported sales, any public statement on the effectiveness of Rules 1111 and 1121, including the number of units installed or mitigation fees collected, will be problematic and result in public disclosure of confidential business information.

Sections (f)(3)(A) of Rule 1111 and (f)(2)(A) of Rule 1121 address when the “percentage of [Furnaces or Water Heaters] sold is **greater than** the [...] Sales Target” and sections (f)(3)(B) and (f)(2)(A) address when the “percentage of Zero-NOx Emission Units sold is **greater than** the [...] Sales Target.” Rheem requests clarification on what happens with the sales target exactly meets the sales target.

Rheem requests that a sample filled out form 400A be provided as the form appears to not have been developed for purposes related to this application. Rheem also requests a sample fee calculation be provided. Rule 306 has several different fees, including, but not limited to, filing, plan evaluation, and inspection. Given the many units installed within the SCAQMD jurisdiction each year, Rheem expects inspection fees, if assessed, to quickly become greater than the mitigation fee.

Section (f)(2)(E) of Rule 1111 and section (f)(1)(E) of Rule 1121 require a report and mitigation fee pursuant to (g)(2) or (f)(1), respectively, to be paid every year, yet sections (g)(2)(A) and (f)(1)(A) require filing an alternate compliance plan by November 1, 2026. Rheem understands these requirements to mean that a new compliance plan should be submitted each year. If so, Rheem recommends “November 1, 2026” be amended to “no later than November 1 the year prior to the calendar year utilizing this alternative compliance option.” Alternatively, if the intent is to require a manufacturer to lock in the compliance option pathway in 2026, then Rheem does not support the requirement. This would essentially require payment of Rule 306 fees in perpetuity even after a manufacturer stops producing NOx emitting units. Rheem notes that section (f)(1)(B) of Rule 1111 appears to allow selection of the compliance option each year for mobile home furnaces.

Section (g)(2)(B) of Rule 1111 and section (f)(1)(B) of Rule 1121 state that “The manufacturer sells, **or enables** distributors, retailers, Resellers, or Installers to sell, Zero-NOx Emission Units into or within the South Coast AQMD.” Rheem understands this to mean that only manufacturers with electric and gas products can use the alternate compliance option. Rheem does not understand the requirement to mean that a manufacturer must compel the distribution channel to comply. Manufacturers have no ability to force customers to buy a specific product, which has traditionally been the role of government.

Rheem notes that the SCAQMD jurisdiction is not an isolated market and encourages SCAQMD to establish its prohibitions and fees in a way that discourages noncompliance by way of obtaining equipment outside of the district.





44-4

Labeling, Recordkeeping, and Reporting

Rheem recommends that the “and” in section (g)(1)(B)(ii) of Rules 1111 and 1121 be amended to “or.” The intent of this section appears to be to provide information to the consumer, not to overexpose them to regulatory language.

Section (g)(1)(C)(ii) of Rules 1111 and 1121 sets a single date for setting mobile home unit label language. After the Table 2 compliance dates, gas-fired mobile home units can only be installed in existing homes. This makes half of the label unnecessary. Rheem recommends removing section (g)(1)(C)(ii) from Rules 1111 and 1121. Similarly, section (g)(4)(B)(ii) of Rule 1111 and section (g)(3)(B)(ii) of Rule 1121 require alternate language be submitted prior to October 1, 2025. Rheem recommends these sections also be removed. Further, there are other jurisdictions establishing zero NOx and zero GHG regulations and are requiring labelling. If we can’t update the labeling as needed new regulations go into effect, then compliance with these labeling provisions will be unnecessarily burdensome.

Thank you for the opportunity to provide these comments. If there are any questions, please contact me directly.

Sincerely,

James Phillips
Senior Regulatory Affairs Manager
Rheem Manufacturing Company

cc: Allison Skidd, Joe Boros, Karen Meyers, Matt Lattanzi

Response to Comment Letter #44

Response to Comment 44-1:

Thank you for noting the discrepancy on the new building definition in PAR 1111 and PAR 1121. Staff fixed it in PAR 1121.

Staff understands the concern on the definition for Zero-NOx emission unit and revised it for clarity.

Response to Comment 44-2:

Regarding the exemption provided to new buildings by paragraph (h)(2), staff believes there is sufficient time to incorporate zero-NOx emission appliances in the building plan or modified building plan, by January 1, 2027. Besides, builders have already been implementing zero-NOx emission appliances in new buildings to comply with Title 24 electric ready requirement for new buildings. Staff does not observe a need to further relax this exemption.

PAR 1111 and PAR 1121 is implemented and enforced through the supply chain, not at the consumer level. It is not practical or feasible to require sales reporting and apply mitigation fees for each NOx-emitting appliance sold in our jurisdiction at the point of sale. Applying the reporting requirements and mitigation fees at the manufacturer level has been

the approach used for Rules 1111 and 1121 for decades. Mitigation fee alternative compliance options were previously implemented in both PAR 1111 and PAR 1121, when manufacturers could not comply with the lower emission limit and thus paid a mitigation fee for selling units with higher emissions. This approach is also used for other area source rules, such as Rule 314 that includes sales reporting requirements and applies fees on the architectural coating manufacturers, not at the point of sale.

Response to Comment 44-3:

Please see Response to Comment 43-1 for more on mitigation fees.

Response to Comment 44-4:

Informative material requirement is proposed in place of a potential labeling requirement as a tool of compliance identification in a more effective but less burdensome way. The comment (g)(1)(B) now is in the new definition for informative material for rule streamlining. In existing Rule 1111, informative material includes all three types of material, not just any one of them that is recommended by the commenter. Staff does not suggest changing it.

Staff agrees with the commenter and has removed the rule language for the due date of submitting alternative language. With this change, manufacturers will use the language in the rule unless there is an alternative language approved.

COMMENT LETTER #45: JOHNSON CONTROLS

Johnson Controls
5757 N. Green Bay Ave.,
Milwaukee, WI 53201
Tel (414) 524-1200



March 20, 2025

Ms. Heather Farr
Planning, Rule Development, and Implementation
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

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

(Submitted electronically via jvinh@aqmd.gov and HFarr@aqmd.gov)

RE: Johnson Controls Comments in Response – South Coast Air Quality Management District (SCAQMD) Proposed Amended Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired Furnaces (PAR 1111)

Ms. Farr and Ms. Vinh:

Johnson Controls

With a global team of nearly 100,000 experts in more than 150 countries, Johnson Controls (JCI) offers the world's largest portfolio of building technology and software as well as service solutions from some of the most trusted names in the industry. We are committed to helping our customers and industries around the world pursue goals for best-in-class environmental targets in carbon and water. Since our inception, our business has been a force for efficiency, resource conservation, decarbonization and water conservation.

Today, the trifecta of low-carbon, energy efficiency, electrification, and digitalization enable us to slash carbon and operating costs. By 2030, we have committed to cut our Scope 1 and 2 absolute emissions by 55% and in FY24 have reached 48% reduction since 2017. Our 2030 Scope 3 target is to reduce product in use emissions by 16% and as of FY24, we reduced

emissions 20% since 2017. These ambitious emissions reduction targets have been approved by the Science Based Targets initiative. We are also committed to achieving Net Zero Scope 1 and 2 emissions and 100% renewable electricity by 2040.

45-1

PAR 1111 Mitigation Fee Structure

JCI appreciates SCAQMD's efforts to balance consumer choice and the need for emissions reductions, however there are implementation concerns with the current proposed revisions. JCI cautions against adding the mitigation fees to ultralow NOx furnaces (e.g., 14 ng/l) as proposed by the alternative compliance option. The proposed mitigation fee structure will result in increased fees which are ill-defined and based on unknowable market conditions. Due to the plan uncertainties, there will be increased fees which the supply chain is likely to pass through to consumers. This result is contrary to the stated objective of reducing impact to low- and middle-income consumers. JCI feels a more definite mitigation fee structure, combined with recently resumed, rebates via the well-established TECH Clean California program¹ with supporting funding from the Inflation Reduction Act provides more than enough incentive for heat pump installations (up to \$45 million or \$8000 per income qualified households).

PAR 1111 Record Keeping and Reporting Requirements

45-2

As summarized in PAR 1111 manufacturers are required to collect and maintain records of the model number and serial number of each zero-NOx emission unit or ultralow NOx furnace, the number of units sold for each category, and the contact information of the distributor for at least five years and produce the information upon request. JCI believes the amount of confidential business information required is burdensome and, without specific protections by SCAQMD, data is at risk of being shared directly or indirectly with third parties. JCI urges SCAQMD to incorporate protective language that SCAQMD would treat the information as confidential business information and will not be shared by SCAQMD.

PAR 1111 Dual Fuel Systems

45-3

JCI is a strong supporter of Dual Fuel systems which combine the benefits of a heat pump with that of a suitable backup heating source such as ultralow NOx furnace offerings. Dual fuel systems have the benefits of lower source emissions as well as lower operating costs, avoiding the inefficient use of electric resistance backup heat. Further, they often have lower upfront infrastructure costs when replacing an existing furnace. JCI would like to thank SCAQMD for considering these benefits by including proposal guidelines which allow Dual

¹ <https://techcleanca.com/about/news/heehera-rebates-resume-in-california/>

Fuel systems. This will hasten the adoption of heat pumps by demonstrating their performance capabilities while avoiding the concerns by many of our customers of the extreme costs and inefficiencies associated with heat pumps with electric resistance back-up heating.

45-3

PAR 1111 Further Considerations

45-4

JCI appreciates staff’s efforts to find amicable alternatives to achieve emissions reductions while considering the lower and mid-income population via their proposed “alternative compliance plans”. However, due to the evolutionary nature of the proposed PAR 1111, the general public workshops failed to fully reach the impacted consumer body or address the PAR 1111 details which invariably cause problems such as how to include mini-split heat pumps without potentially increasing emissions.

The alternative compliance plan approach depends on balancing furnace and heat pump sales if the zero NOx emission unit count is based on number of compressors. For example, residential heat pumps typically have one compressor and, according to PAR 1111, will be counted as one unit. However, it is highly unlikely that only one mini-split heat pump – which tend to have maximum heating capacities of 24,000 Btu/hr. – will replace a typical furnace which can have a capacity of 100,000 Btu/hr. or higher. It is more likely that one furnace would be replaced by as many as four mini-split heat pumps, meaning that the regulated entity could install three additional furnaces elsewhere in the district, thus increasing NOx emissions overall. It is not clear that this outcome advances the environmental objectives of PAR 1111.

Conclusions

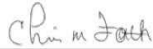
45-5

The enduring economic conditions have placed substantial burden on consumers, businesses, and all levels of the HVAC supply chain. Because this burden, combined with the majority of public comments opposing the PAR 1111, we suggest a pause in the rulemaking process to allow further public and business engagement and better assess the cost impact, technical, material and issues which have yet to be addressed by the currently proposed rule.

Due to the limited time for a thorough review of the final proposed rule draft, the proposed alternatives need further discussion with California businesses, manufacturers and SCAQMD staff before being finalized.

Johnson Controls thanks SCAQMD's staff for its work on this rule and expresses its willingness to continue working with staff to find amicable solutions which achieves both emissions reductions and lowers cost to California consumers.

If you have any questions, or would like to discuss this further, please contact us.



Chris M. Forth
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Cc:

Katie McGinty, Johnson Controls, VP & Chief Sustainability & External Relations Officer
Crystal Klein, Johnson Controls, VP & Ast. GC HVAC/R & Ducted, GP & Reg
James Manser, Johnson Controls, VP Global Government Relations

Response to Comment Letter #45

Response to Comment 45-1:

The proposed ZEM alternative compliance option, in lieu of paragraph (d)(2) for direct compliance of zero-NOx emission standards, intends to provide implementation flexibility and address consumer choice and costs. The compliance targets by the proposed ZEM alternative compliance option are not hard targets. If consumer demand results in higher sales of NOx-emitting gas units, the manufacturer may supply those units; however, the higher fee will apply. The under the target mitigation fee is proposed as a flat fee that increases over time by CPI; however, the over the target sales is meant to deter the sales of NOx-emitting units.

Both rules had mitigation fee alternative compliance options previously. PAR 1111 and PAR 1121 manufacturers worked with the supply chain to reconcile their sales to the region for the report and mitigation fee.

Please refer to Response to Comment PC-3 and Response to Comment PC-6 for discussion on sales targets and mitigation fees.

Response to Comment 45-2:

The new rule concept includes reporting requirements and any information designated by the manufacturer as confidential in the annual report will be kept confidential by the South Coast AQMD. Information submitted to the Executive Officer may be designated as confidential under the provisions of the California Public Records Act (Govt. Code). The designation must be clearly indicated on the reporting form, identifying exactly which information is deemed confidential. The South Coast AQMD's Guidelines for

Implementing the California Public Records Act⁽¹⁾, which were adopted by the Governing Board on May 6, 2005, and amended on July 5, 2013, specifically with reference to trade secrets, adequately protect confidential information from misappropriation. The South Coast AQMD will request a justification from the entity claiming confidential information and evaluate the justification, any other information at its disposal, and determine if the justification supports the claim that the material is in fact a trade secret. If the claim of confidentiality is not meritorious or is inadequately supported by the evidence, the South Coast AQMD shall promptly notify, by certified mail and email, the entity who claimed confidential status that the justification is inadequate and that the information will be released after 21 calendar days from the date of such notice unless the person claiming trade secret brings a legal action to preclude such release. Staff understands that sales volume data is considered as business confidential data and is cautious to protect that data. Staff has modified the rule language for the clarity of annual report requirement and included an explanation of this in Chapter 4.

Please refer to Response to Appendix B Comment 43 for more on mitigation fee structure and recordkeeping and reporting requirements.

Response to Comment 45-3:

Dual fuel system has been discussed in this rulemaking process. While some manufacturers supported the dual fuel system, some other manufacturers opposed it as this allowance would undercut the development and commercialization of lower emission technologies. Staff previously proposed to allow dual fuel systems for high-altitude installations for a specified period. When the ZEM alternative compliance option was proposed that allows for both sales of zero-NOx emission and NOx-emitting units, there is no need to have a provision for dual fuel systems. Consumers may choose to install a dual fuel system, which should be considered as a NOx-emitting unit.

Response to Comment 45-4:

At the Public Consultation Meeting, staff included a slide explaining the considerations for sales targets determination at situations multiple units would be needed to replace one NOx-emitting furnace. Staff specifically noted non-ducted units and non-centralized systems such as minisplit heat pumps and electric resistance wall or floor furnaces and was committed to consider mechanisms to address this. The draft PAR 1111 and PAR 1121 released on April 1st include provisions that specify how to count those units in the target.

Response to Comment 45-5:

Please refer to Response to Comment PC-30 regarding the request of pausing rulemaking process for more engagement.

For discussion on consumer choice, please refer to Response to General Comment 1.

For discussion on cost, please refer to Response to General Comment 2.

For discussion on outreach, please refer to Response to General Comment 5.

⁽¹⁾ <https://www.aqmd.gov/docs/default-source/default-document-library/Guidelines/pr-guidelines.pdf>

COMMENT LETTER #46: NORITZ AMERICA CORPORATION

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 ourselves, 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

Noritz America Corporation
 11160 Grace Ave, Fountain Valley CA 92708, USA
 Toll Free: (866) 7NORITZ (866-766-7489) Fax: (714) 241-1514
 Website: www.noritz.com

46-1

46-2

46-2

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,



Randy Oshiro
Engineering Manager

Response to Comment Letter #46

Response to Comment 46-1:

Please refer to Response to Comment 42-1.

Response to Comment 46-2:

Please refer to Response to Comment 42-3.

COMMENT LETTER #47: JOHN CARSER**Proposed Rules 1111 and 1121**

Dear South Coast AQMD:

I am writing to support the proposed amendments to Rules 111 and 1121. I applaud AQMD's work to reduce NOX emissions, thereby reducing new asthma cases, hospital visits and premature deaths. Our air quality has vastly improved because of your historic efforts, but we still have some of the worst air quality in the nation.

In the long run, these rules will save money and reduce emissions that impact our environment and our health.

I appreciate all your efforts in providing better living conditions in our region.

47-1

Sincerely,

**Response to Comment Letter #47**

Response to Comment 47-1:

Staff appreciates the support.

COMMENT LETTER #48: DAVID PRICE**Marissa Poon**

From: Emily Yen
Sent: Thursday, March 27, 2025 9:01 AM
To: [REDACTED]
Subject: FW: [EXTERNAL] My public comment regarding proposed SCAQMD Rule 1111 (Gas furnaces) and Rule 1121 (gas water heaters) to require failed gas furnaces and water heaters to be replaced by electric versions

From: David Price <[REDACTED]>
Sent: Thursday, March 13, 2025 9:35 AM
To: Emily Yen <eyen@aqmd.gov>; Peter Campbell <pcampbell@aqmd.gov>
Subject: [EXTERNAL] My public comment regarding proposed SCAQMD Rule 1111 (Gas furnaces) and Rule 1121 (gas water heaters) to require failed gas furnaces and water heaters to be replaced by electric versions

Dear Emily Yen and Peter Campbell of the SCAQMD,

48-1

As I understand it, the South Coast Air Quality Management District (SCAQMD) Governing Board is soliciting public comment regarding proposed Rule 1111 (Gas furnaces) and Rule 1121 (gas water heaters) to require failed gas furnaces and water heaters to be replaced by electric versions.

I own the condo I live in in Pasadena, CA. Our condo complex consists of clusters of four condo Units with each four-Unit cluster served by a 400 amp meter box---and thus each condo is limited to a 100 amp sub panel. I have met with an official of Pasadena Water & Power to ascertain the feasibility of increasing my sub panel's capacity and from that meeting it became obvious that such an increase would require our HOA community to engage in a clearly cost-prohibitive, life-disruptive major project. Licensed electricians with whom I've spoken say that even with possibly greater-efficiency electric appliances it is unfeasible to operate an all-electric household using only the 100 amp sub panel that we have (HVAC, water heater, oven/stove, dishwasher, other kitchen appliances, clothes washer/dryer, lighting, other electrical/electronic devices such as TV, computer, modems, personal care appliances, etc.). Trying to add an EV charger to such a fantasy all-electric household here would be a folly upon a folly. And this amp-capacity limitation does not even address the prospect of skyrocketing rates of electricity charges.

I sure that our condo complex is not alone in this amp-capacity practical limitation, and I cannot imagine that any amount of electricity/physical plant "cost shifting" can be workable for California, particularly with our looming deficits, and if such envisioned policies cause an additional critical mass of taxpayers to exit the state.

48-1

And even further, has anyone considered the undue added mental stress such unworkable proposals would add to the lives of the millions of people affected by proposed Rules 1111 and 1121?

Not being an “expert”, I’m sure I’ve left out a number of other significant drawbacks to these proposed rules. Please contact me if I may be of other input.

Sincerely,

David Price

Pasadena, CA

Response to Comment Letter #48:

Response to Comment 48-1:

For discussion on the electric grid and electricity demand, please refer to Response to General Comment 3. For a discussion on the electrical and amperage demand the space and water heating appliances require, please see the electrical service upgrade discussion in Chapter 2 and Response to Appendix C Comment 10-3.