



October 11, 2024

Chair Larry McCallon and Committee Members
 Stationary Source Committee
 South Coast Air Quality Management District (South Coast AQMD)
 21865 Copley Drive
 Diamond Bar, CA 91765

RE: SUPPORT for Proposed Amended Rules 1111 and 1121

Dear Chair McCallon and Members of the Stationary Committee:

The undersigned organizations write in strong support of Proposed Amended Rules (PAR) 1111 and 1121 to set a zero-NO_x emission limit on gas-powered furnaces and water heaters, which will be on the committee agenda at your October 18 meeting.

The 2022 Air Quality Management Plan (AQMP) states that the “only way to achieve the required nitrogen oxide (NO_x) reductions is through extensive use of zero-NO_x technologies

across all stationary and mobile sources.”¹ Applying zero-NO_x standards on furnaces and water heaters is critical for meeting National Ambient Air Quality Standards (NAAQS) and steering the region away from severe nonattainment.

When fully implemented, these rules will reduce NO_x emissions by 10 tons per day, approximately 10% of the regional NO_x pollution under Air District authority. Residential appliances alone emit more NO_x than – and nearly comparable levels of direct fine particulate matter (PM_{2.5}) as – the South Coast region’s oil and gas production, oil refineries, and cement production combined.²

Implementation of zero-emission appliance standards will have significant health benefits for people living in the South Coast region. NO_x emissions negatively impact respiratory and cardiovascular health. They also contribute to the formation of ozone and secondary PM_{2.5},^{3,4} which is tied to severe health issues, including respiratory, pulmonary, cardiovascular, cognitive, reproductive, and developmental problems; cancer; and premature mortality.⁵

The true value of zero-NO_x solutions like energy efficient heat pumps also encompasses significant additional benefits, such as reduced greenhouse gas emissions and increased access to efficient cooling and air filtration during more frequent and intense extreme heat and wildfire events. This clean equipment can be powered by distributed energy resources, improving resilience for Southern California communities.

Opponents of these measures argue that further studies are needed before amending Rules 1111 and 1121. These calls for further studies serve no purpose but to delay a transition to pollution-free heating equipment in the South Coast region. Staff has made clear through the rulemaking process that technology to support this transition exists today and that these measures are feasible. Indeed, heat pumps have already outsold gas furnaces in the United States for the last two years,⁶ with 35% year-over-year growth in the heat pump water heater market last year as well.⁷ These technologies are proven.

As you know, zero-NO_x standards on furnaces and water heaters have already passed at the Bay Area Air Quality Management District, where they are well underway on implementation planning. The South Coast region has an even greater need to pass zero-NO_x standards on an expedited timeline. The region has failed to meet any national ozone standards, including

¹ South Coast Air Quality Management District (SCAQMD), [2022 Air Quality Management Plan](#), Executive Summary (December 2, 2022).

² U.S. Environmental Protection Agency (EPA), [2020 National Emissions Inventory](#), March 2023. Appliance emission estimates include residential & commercial emissions for the gas, oil, & other fuel categories, with commercial emissions adjusted to exclude certain non-appliance sources like pipeline compressor stations.

³ J.A. Last et al., “[Ozone and Oxidant Toxicity](#),” *Comprehensive Toxicology* 15, pp. 389-402, 2018.

⁴ World Health Organization, “[WHO global air quality guidelines. Particulate matter \(PM2.5 and PM10\), ozone, nitrogen dioxide, sulfur dioxide and carbon monoxide](#),” 2021.

⁵ California Air Resources Board, “[Inhalable Particulate Matter and Health \(PM2.5 and PM10\)](#).”

⁶ D. Reisinger (CNET), “[Heat Pumps Outsell Gas Furnaces Once Again: What's the Difference?](#)” February 24, 2024.

⁷ EPA, “[ENERGY STAR® Unit Shipment and Market Penetration Report Calendar Year 2023 Summary](#),” 2024.

standards the U.S. EPA adopted in 1997, almost thirty years ago.⁸ These ongoing attainment failures mean the Air District cannot afford to delay feasible measures that are known to reduce significant NO_x and PM_{2.5} emissions.

Your staff is estimating that the full implementation of these rules will not be achieved for 15-25 years after their latest compliance date.⁹ This is already past 2050 for some sources of pollution. The longer it takes to pass these amendments and to send the important market signal they represent, the longer it will take to actualize their full benefit. These rule amendments must pass this year.

South Coast AQMD staff has undergone a thorough public process and found that zero-emission appliances are the best available control technology. Installation of heat pumps in new buildings and as replacements for existing gas-powered appliances at end of life generally provide cost savings over the life of the appliances, and these rules provided reasonable accommodation for more complicated emergency replacements, as well as master-metered mobile home parks. With the passage of the Go Zero rebate program, the South Coast AQMD has also provided financial support for compliance, with priority in the transition going to disadvantaged communities. This financial support supplements existing federal, state, and local rebates for heat pump installation.

By setting future effective compliance dates, PAR 1111 and 1121 send an important market signal to zero-emission furnace and water heater supply chains. The sooner this rule is passed, the more beneficial this market signal will be. The technology check-in planned for June 2027 will provide an opportunity to evaluate market adoption and supply of heat pump technology for small spaces, limited power supply, and mobile homes – all areas addressed in the rule by alternative compliance options and later implementation dates.

The proposal to move these equipment categories to zero-NO_x alternatives has been part of the AQMP since 2022. The District must stay the course to deliver on the promise of the 2022 AQMP. We respectfully ask the Stationary Source Committee to move PAR 1111 and 1121 forward to the Governing Board expeditiously and lay the groundwork for reducing up to 10 tons of NO_x per day in the South Coast region.

Sincerely,

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Chapter Chair
Los Angeles Climate Reality Project

David Diaz, MPH
Executive Director
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⁸ EPA, "[Finding of Failure to Attain 1997 8-Hour Ozone Standard: Los Angeles-South Coast Air Basin](#)," August 15, 2024.

⁹ SCAQMD, "[Preliminary Draft Staff Report \[PAR 1111 and PAR 1121\]](#)," pg. 5-3, September 2024.

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