





Mr. Krause and Ms. Farr South Coast Air Quality Management District (South Coast AQMD) 21865 Copley Drive Diamond Bar, CA 91765

Email: mkrause@aqmd.gov; hfarr@aqmd.gov;

RE: Support for Proposed Amended Rules 1111 and 1121

Dear Mr. Krause and Ms. Farr:

On behalf of our three chapters of the Climate Reality Project, we write in **support of the South Coast AQMD's Proposed Amended Rules 1111 and 1121**, which would set zero-emission standards for gas furnaces and water heaters, and in **opposition to weakening the rules by changing their future effective dates for existing buildings**.

The proposal as currently drafted requires new water heaters installed in existing buildings to achieve zero NOx emissions beginning on January 1, 2027, and requires new furnaces installed in existing buildings to achieve zero emissions beginning on January 1, 2028. We oppose changing these dates to January 1, 2029 for several reasons.

Delayed implementation delays the rules' health and climate benefits. This proposed regulatory package will achieve more emissions reductions than any effort in the past three decades, but with the 15 to 25 year life of these appliances and alternative compliance options staff has included, the rules will take decades to be fully effective. Given the time lag of these rules and the serious pollution in this region, an implementation delay would needlessly delay desperately-needed health gains from millions of people in the region. A delay means that even more residents will be tethered to greenhouse gas-emitting methane-burning appliances well into the 2050s and well past the year California plans to reach carbon neutrality.

Delayed implementation is not supported by evidence. Several exceptions have already been included in the proposal, including mobile homes, high elevation communities, and installations that require construction. These exceptions were based on staff's assessment of currently available technology and cost benefit calculations. No similar analysis has been given to support a broader delay of the rules. No explanation has been given as to why water heater rules should be delayed two years while furnace rules should be delayed one year. Narrow, targeted alternative compliance options are preferable to broad and unsupported delays. In fact, staff has already proposed a separate new implementation delay for central furnaces where paired air conditioners are less than 10 years old, with justification from staff's new, more conservative cost benefit analysis.

Delayed implementation delays market impacts. Heat pumps outsold both gas furnaces and gas water heaters in the United States last year and are on pace to do so again this year. With increased popularity and incentive support, heat pump manufacturers are offering more models that fill in more use cases. These rules will accelerate this innovation from

manufacturers and hasten installer workforce development. Delaying implementation would delay these benefits.

Delayed implementation delays legal clarity. Unfortunately, we know that litigation over the rules is likely, if not inevitable. A blanket delay of two years could be followed by a court stay that results in continued emissions and negative health impacts for the region's residents. While AQMD cannot prevent litigation, keeping the current, earlier implementation dates will mean swifter legal clarity that benefits both residents and businesses.

Technology check-ins can provide another opportunity to add alternative compliance options if needed. We are confident in the market's ability to meet demand, and willing to support justified compromises to make sure the rule is both strong and fair. We would support adding a second technology check-in at the end of 2027 and using the check-ins to assess supply chain and cost changes and address any exceptionally challenging installations not covered in the current proposal.

We would also support increasing the budget for South Coast AQMD's Go Zero pilot program to \$100 million, which will multiply the impact of this program nearly fivefold.

We appreciate AQMD staff's significant work on these proposed amendments to Rules 1111 and 1121. Wrapping up this rulemaking process as soon as possible is vital to give clarity to the region's homeowners, landlords, tenants, and appliance manufacturers and installers.

Sincerely,

Charles Miller
Chapter Chair
Los Angeles Climate Reality Project

Lisa Swanson
Policy Chair
Climate Reality Project Orange County Chapter

Sharon Ungersma
Chapter Chair
San Fernando Valley Climate Reality Project