



## VIA EMAIL

Chair McCallon and Members of the Stationary Source Committee  
South Coast Air Quality Management District  
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**RE: Agenda Item 2 – Update on Proposed Amended Rule 1111 and Proposed Amended Rule 1121**

Dear Chair McCallon and Members of the Stationary Source Committee:

Committee members should ensure the Governing Board votes to adopt Rules 1111 and 1121 at its February 7 meeting as planned to eliminate harmful building emissions. When the proposed amendments to Rules 1111 and 1121 are adopted, these health-protective standards will deliver the greatest emissions reductions of any air quality regulation the agency has issued in *more than three decades*.<sup>1</sup> This pollution currently leads to \$2 billion annually in negative health impacts like lost school days, asthma attacks, and premature deaths.<sup>2</sup>

Committee members should also oppose delays of rule compliance dates to 2029, instead supporting your staff's hard work and the yearlong public process that resulted in the original proposed compliance dates of 2027 for water heating and 2028 for space heating. Delaying the zero-emission transition would cost lives of District residents, slow down needed market transformation, and bring further disproportionate harm to communities of color.

### **The Amendments to Rules 1111 and 1121 Should Be Adopted Without Further Delay**

Planning for these rule amendments began years ago, and the Governing Board should vote on them in February, without more changes to the calendar. Methane gas-burning equipment in the South Coast's

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<sup>1</sup> Based on a review of South Coast Air Quality Management District rules adopted since the RECLAIM (Regional Clean Air Incentives Market) rules (Regulation XX) in October 1993.

<sup>2</sup> U.S. Environmental Protection Agency (EPA), [CO-Benefits Risk Assessment Health Impacts Screening and Mapping Tool \(COBRA\)](#), June 2024. Analysis used commercial and residential gas subsectors.

residential and commercial buildings produces nearly *half* of the health-harming nitrogen oxides (NOx) emissions that fall under the Air District’s direct authority and responsibility to control.<sup>3,4</sup> This residential and commercial equipment, like furnaces and water heaters, emits more NOx pollution than regional oil and gas production, refining, cement manufacturing, and power generation *combined* – and over three times more fine particulate matter (PM2.5) than the region’s power plants.<sup>5,6</sup>

Analysis using EPA’s Co-Benefits Risk Assessment (COBRA) health impacts tool demonstrates that this pollution is responsible for approximately 76,000 asthma attacks, 30,000 lost school days, and 130 premature deaths *each year*, with annual health impacts valued at \$2 billion.<sup>7</sup>

In the face of public health harms and economic loss at this scale, and given that the Air District has consistently failed to meet federal and state air quality standards for more than 30 years,<sup>8,9,10</sup> the proposed zero-NOx amendments to Rules 1111 and 1121 are critical for protecting the region’s residents and achieving the core mission of the agency.

Yet the presentation for the December 20 meeting of the Stationary Source Committee suggests that the vote on these vital rules will be delayed once more, this time beyond the February 7 meeting at which the Governing Board has already voted to hear them. Further postponement of these regulations would only serve to delay the important market signal that manufacturers, distributors, contractors, homeowners, business owners, and other market actors are relying on to boost equipment supply, bring down costs, and develop complementary policies and financing structures. The proposed rule amendments have been years in the making, and they are ready for the planned vote on February 7.

### **Rule Compliance Dates Should Not Be Delayed Until 2029**

The original proposed compliance dates of 2027-28 are both feasible and necessary and should not be pushed back. Poor air quality already results in serious health impacts for the 17 million residents of the Air District. The Los Angeles-Long Beach metropolitan area has ranked first in the nation for high ozone days for 24 of the last 25 years.<sup>11</sup> From 2020 to 2022, the region saw an average of 175 unhealthy ozone days each year, exceeding federal pollution limits more than one-third of the time.<sup>12,13</sup>

Disadvantaged communities, specifically those with larger populations of color, suffer a disproportionate burden of this harmful pollution in the region: People of color in the Los Angeles metro area are almost

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<sup>3</sup> The South Coast Air Quality Management District includes large portions of Los Angeles, Orange, Riverside, and San Bernardino Counties. While approximately 5% of the four-county population resides in other Air Districts, full county data are used throughout this letter.

<sup>4</sup> South Coast Air Quality Management District (SCAQMD), [2022 Air Quality Management Plan](#), December 2022 (Figs. 3-3 and 3-4, Table III-1-7).

<sup>5</sup> 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.

<sup>6</sup> *Ibid.*

<sup>7</sup> EPA, [CO-Benefits Risk Assessment Health Impacts Screening and Mapping Tool \(COBRA\)](#), June 2024. Analysis used commercial and residential gas subsectors.

<sup>8</sup> EPA, "[Criteria Pollutant Nonattainment Summary Report](#)," October 2024.

<sup>9</sup> EPA, "[California Nonattainment/Maintenance Status for Each County by Year for All Criteria Pollutants](#)," October 2024.

<sup>10</sup> California Air Resources Board, "[Ambient Air Quality Standards Designation Tool](#)."

<sup>11</sup> American Lung Association (ALA), "[State of the Air 2024: Key Findings](#)."

<sup>12</sup> ALA, "[State of the Air 2024: Ozone Pollution Trends](#)."

<sup>13</sup> SCAQMD, "[Historical Data By Year](#)," 2024.

twice as likely as white residents to live in an area with a high risk for respiratory illness,<sup>14</sup> and Black residents in Los Angeles County seek emergency care for asthma-related health issues nearly five times as often as white residents.<sup>15</sup>

PM2.5 pollution from residential methane gas combustion disproportionately harms people of color in California as well, with 30% higher exposure for people of color and 50% higher exposure for Black residents compared to white residents.<sup>16</sup>

Because the HVAC and water heating equipment covered by Rules 1111 and 1121 has useful lives of 15 to 25 years, with many units expected to operate beyond that, each additional year that compliance with the zero-NOx standards is delayed will lock in hundreds of thousands of installations of polluting furnaces and water heaters, many of which will emit NOx and PM2.5 for a generation.<sup>17</sup>

As such, a delay of rule compliance dates to 2029 would cost the lives of additional South Coast residents and needlessly perpetuate disproportionate pollution exposure to people of color. Even with the more robust compliance dates of 2027-28, some methane-fueled heating equipment is expected to be operating into the 2050s, years beyond the date when the state is supposed to achieve carbon neutrality.<sup>18</sup> The region cannot afford to delay the start of this lengthy transition.

### **The Zero-Emission Equipment Market Is Growing Fast and Most Buildings Are Ready**

Air District staff have demonstrated in this long rulemaking process that the proposed measures are feasible and that technology to support the HVAC and water heating transition exists today. Indeed, efficient electric heat pumps that provide both heating and cooling have already outsold gas furnaces in the United States for the last two years,<sup>19</sup> with 35% year-over-year growth in the heat pump water heater market last year as well.<sup>20</sup> These technologies are proven.

In addition, through the use of power efficient equipment, circuit controllers, sub-panels, and breaker optimization, the vast majority of homes can fully electrify without upgrading electrical panels.<sup>21</sup> A recent analysis from UCLA found that only 3% of single-family homes and 10% of multi-family homes in California will need to upgrade their panels to fully electrify.<sup>22</sup> Current research is demonstrating that there is sufficient space on most panels for electrification, and that in tougher cases, emerging “Watt Diet” strategies can achieve full electrification without upgrading panels.<sup>23</sup>

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<sup>14</sup> ABC7/KABC (Ashley Mackey and Grace Manthey), “[Neighborhoods of color east of LAX have some of the highest health risks, data shows](#),” October 2021.

<sup>15</sup> Jason A. Douglas et al., “[Ecological determinants of respiratory health: Examining associations between asthma emergency department visits, diesel particulate matter, and public parks and open space in Los Angeles, California](#),” *Preventive Medicine Reports* 14:100855, June 2019.

<sup>16</sup> Christopher W. Tessum et al., “[PM2.5 pollutants disproportionately and systemically affect people of color in the United States](#),” *Science Advances* 7(18), April 2021 (Supplementary Data File S2).

<sup>17</sup> SCAQMD, “[Proposed Amended Rule 1111 \(&\) Proposed Amended Rule 1121 – Working Group Meeting #7](#),” p.21, December 4, 2024.

<sup>18</sup> State of California Executive Department, [Executive Order B-55-18 to Achieve Carbon Neutrality](#), September 10, 2018.

<sup>19</sup> D. Reisinger (CNET), “[Heat Pumps Outsell Gas Furnaces Once Again: What's the Difference?](#)” February 24, 2024.

<sup>20</sup> EPA, “[ENERGY STAR® Unit Shipment and Market Penetration Report Calendar Year 2023 Summary](#),” 2024.

<sup>21</sup> SPUR, [Solving the Panel Puzzle](#), May 2024.

<sup>22</sup> Fournier et al., “[Quantifying the electric service panel capacities of California's residential buildings](#),” *Energy Policy* 192:114238, Figs. 7-8, September 2024.

<sup>23</sup> Bay Area Air Quality Management District/Rincon Consultants, Inc., [Challenging Use Cases and Emerging Solutions for Zero-NOx Appliances](#), p.32, July 2024.

Thank you for your service to the region – and your leadership and commitment to reducing air pollution.

Sincerely,

Christopher Chavez, Deputy Policy Director  
**Coalition for Clean Air**

Charlotte Matthews, Managing Director  
Jed Holtzman, Senior Associate  
**RMI**