



February 6, 2024

VIA E-MAIL

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

RE: 1146.2 Public Workshop Comments

Dear Mr. Krause,

Thank you and your staff for the ongoing opportunity to discuss Proposed Rule 1146.2. Navien will be making comments in the Public Workshop tomorrow and wanted to provide those in writing as well.

As we have previously noted, Navien's tankless water heaters fall between 1121's residential rules and 1146.2 commercial rules. However, Navien tankless water heaters are mostly used in residences and are for use by consumers. Therefore, we believe that the compliance date for tankless water heaters should align with other residential products covered under 1121.

Further, we encourage staff and the Board to give careful consideration to the detailed definitions and revised implementation timelines spelled out in the Bradford White letter of January 19, 2024. Navien agrees with Bradford White that implementation timelines should match the **California Energy Commission Title 24 Energy Code** of January 1, 2026, compliance dates for new buildings. Furthermore, SCAQMD should maintain a four-year gap between new and existing construction where it is anticipated for Department of Energy (DOE) to implement new efficiency targets in 2030, to align and be consistent with DOE.

Moreover, we believe the staff report's number of 300,000 tankless water heaters in the South Coast Basin is low, perhaps by as much as two to three times. Navien alone has sold more than 200,000 tankless units in the Basin. Since our units are more efficient than non-condensing units, we believe the NOx reductions achieved by replacing these units are over-estimated and the costs to consumers will be greater than estimated, and we request the final staff report to consider these factors.



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Finally, we request staff clarify its intentions about the useful life/repairs section of the Proposed Rule. Under “burner replacement” scenarios, when it is **after** the compliance date and the unit has **not** reached useful life, must we then comply with Table 1 Emission Limit? If any part other than a burner needs to be replaced, then are we correct that Table 2 compliance shall not be applicable since the parts are not related to emissions? We note that the lack of clarity of this section points to additional future enforcement challenges.

Again, thank you for the opportunity to share our concerns with the AQMD. We look forward to your responses and to working together to improve air quality in our region.

Sincerely,

A handwritten signature in black ink, appearing to read 'KPIROTIN', written over a light blue horizontal line.

KEVIN PIROTIN
Vice President
Engineering & Service
Navien, Inc.